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NEWS SUMMARY

GENERAL

Reagan dispels doubts on flights

The Reagan Administration has told U.S. airlines that they can continue to operate at the present level despite the air controllers' strike. The step will help to dispel public uncertainty.

The authorisation will permit airlines to publish firm timetables for the next nine months with services reduced to 75 per cent of the level before the strike action.

There had been hopes that the Government might have allowed the traffic to rise to 90 per cent of normal to show confidence in the stop-gap controllers brought in to replace the 12,000 sacked strikers. Back Page

Benn appeal

Tony Benn has appealed to the unions in his bid for the Labour Party deputy leadership by outlining proposals to give them a bigger say in running the economy. Page 6

H-Blocks plea

The Prime Minister's advisers are considering a telegram from Owen Carron, MP for Fermanagh and South Tyrone, seeking urgent talks with Mrs Thatcher on the H-Blocks hunger strikes. Page 6; Rift deepens, Page 10

Ban on marches

The Home Secretary has agreed to ban all political marches through Liverpool for six weeks following police worries about a march planned by the New National Front.

Afghan talks

Soviet Deputy Foreign Minister Nikolai Firyubin arrived in Pakistan for discussions which are expected to include the Afghanistan crisis. Page 3

Envoy freed

Swedish riot police stormed the home of Iran's ambassador and freed him from 30 anti-Khomeini Iranians who had occupied his home. Executions, Page 3

Egypt accused

On the eve of Prime Minister Menahem Begin's visit to Alexandria, Israel yesterday accused Egypt of defaulting on their peace treaty by failing to establish normal relations. Begin for summit, Page 3

Sun power call

Britain is the "odd man out" among developed countries in not having tax or other incentives for installing solar energy devices, the Solar World Forum was told. Page 5

Church protest

The Salvation Army has quit the World Council of Churches in protest against the ecumenical movement's aid to armed liberation organisations.

Panda hope

London Zoo's giant panda Ching Ching could be expecting a cub in the next week or so, according to scientists who carried out artificial insemination.

Killer jailed

Mark David Chapman was jailed for 20 years to life by the New York Supreme court for the murder of former Beatle John Lennon.

Costly stink

Texaco plans to set up a £15m treatment plant to remove the smell of rotten eggs from gas produced from its North Sea Tartan Field. Page 6

Rabies fear

A woman who was bitten by a dog during a holiday in India two months ago has died in Gloucestershire Royal Hospital. Doctors suspect rabies.

BUSINESS

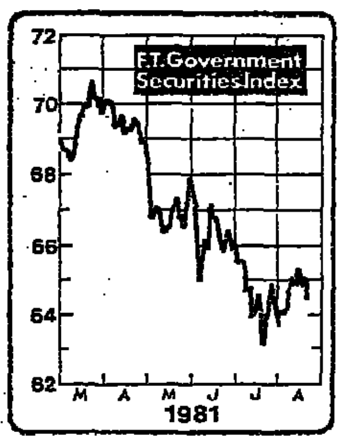
Dollar stronger; $11 fall for gold

● DOLLAR strengthened in thin late trading. It finished at DM 2.4725 (DM 2.44675), FFr 5.9125 (FFr 5.8725), SwFr 2.1460 (SwFr 2.1285) and Y228.40 (Y227.15). Its trade weighted index was unchanged at 111.0. Page 15

● STERLING fell 1.60c to $1.8600. It closed at DM 4.60 (DM 4.59), FFr 10.9950 (FFr 11.0100), SwFr 3.9925 (SwFr 3.9950) and Y425.00 (Y426.50). Its trade weighted index was 92.4 (92.3). Page 15

● GOLD fell $11 in London to $420. In New York, the Comex August close was $414.3 Page 15

● GILTS were unsettled by doubts that U.S. interest rates



would ease. The Government Securities Index lost 0.52 to 64.48. Page 20

● EQUITIES weakened late. The FT 30-share index, only 1.4 lower through most of the afternoon, closed 3.5 off at 558.0. Page 20

● COPPER cash wirebars dropped £20.25 to £937.25 a tonne as metal markets came under renewed selling pressure. Page 19

● WALL STREET was down 17.70 to 902.87 near the close. Page 18

● OIL AND GAS production from Norway's three North Sea fields was coming to a halt after a strike by production workers belonging to the OFS union.

● STEEL PRODUCTION in non-Communist countries fell last month by 2 per cent to 37.5m tonnes compared with June but was 4.9 per cent higher than the same month last year. Page 2

● GKN said higher rates bills could make the survival of some of its operations "questionable" and could push smaller companies into bankruptcy. Back Page

● UK GOVERNMENT is expected to take a tough line on the terms for occupational pension schemes continuing to contract-out of the state scheme, according to a pension consultants firm. Page 5

● UK AEROSPACE industry will gain work worth more than £1bn in the next few years after the UK and U.S. signed an agreement for development and production of the AV-8B Harrier jump-jet fighter. Page 5

● MANSFIELD SHOE Corporation, part of the collapsed Norvic Shoes group, has been bought out by its management and staff. Page 12; Men and Matters, Page 10

● NU-WEST, Canadian real estate company, may sell its 7.2 per cent stake in Cities Service, the U.S. oil group. Page 16

● TOYOTA MOTOR net profits fell 7.6 per cent to Y132.73bn (£312m) at parent company level in the year to end June. Page 17

● W. N. SHARPE Holdings, greetings cards group, reported taxable profits up from £2.22m to £2.61m in the first half of 1981. Page 12

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Adams and Gibbon	84	+ 10	Treas. 12¼pc 1993	£86½	− [illegible]
Applied Computer	137	+ 7	Exchqr. 12pc 13-17	£86½	− [illegible]
BPC	22	+ 2½	Amalg. Metal	370	− 13
Barratt Develpts.	261	+ 6	Grand Met.	197	− 5
Canadian Frgn. Inv.	198	+ 15	P & O Dfd.	114	− 6
Chubb	108	+ 4	Unilever	630	− 7
Howden (A.)	135	+ 3	BP	312	− 8
Marchwiel	140	+ 6	IC Gas	183	− 14
Matthews (B.)	145	+ 20	NCC Energy	105	− 10
Philips Lamps	467	+ 5	Shell Transport	374	− 18
Sharpe (W. N.)	410	+ 55	Strata Oil	62	− 10
Siebe Gorman	200	+ 7	Tricentrol	276	− 12
Stand. Fireworks	150	+ 6	Ultramar	487	− 18
Northgate Explo.	450	+ 20	Bougainville	93	− 5
			EZ Inds.	340	− 20
			Western Mining	295	− 10

BL Car unions may table £20 claim across the board

BY NICK GARNETT AND ARTHUR SMITH

NATIONAL UNION officials representing BL Cars' 58,000 manual workforce decided yesterday to table a claim for a substantial across the board wage increase which is expected to be about £20 a week.

The company, which is due to settle the claim by November 1, has already warned its total 80,000 labour force that it might be aunable to offer any rise this year.

Concern was also mounting among union leaders at BL's Longbridge plant in Birmingham last night at the company's announcement that 500 jobs must be shed in the engine and gearbox divisions.

BL maintains that increased productivity and the phasing out of the E-series engine which used to power the now discontinued Maxi model would mean slimming the workforce.

On pay, union officials take the view that both the drafting of the claim and the company's warning that it might not be able to offer a rise this year are simply the initial manoeuvres to this year's wage talks.

Mr Grenville Hewley, Transport and General Workers Union automotive secretary and principal union negotiator, said the company had advised union officials that it was prepared to negotiate in the normal way and to evaluate the claim. At the same time, there appears to be little or no mood among the cars' workforce for any dispute over pay.

The company is expected to announce half-year losses of about £250m or more this week.

The wage claim involves a substantial increase related to the relative decline in the purchasing power of BL manual workers over the past three years. Claims by engineering union officials have been largely based on £20 which would be 17.6 per cent of the wage bill.

The claim, which is being put to local meetings, also includes improvements for apprentices' pay, premium rates and moves towards staff status. These would include three days' sick pay and no loss of earnings during lay-offs.

The unions will tell BL that they want this year's negotiations handled by the same ad hoc group of union officials and shop stewards as last year in light of the continued disagreement between the engineers and the TGWU on representation.

The company has indicated that it is not satisfied with this and will want to negotiate solely with national officials.

On the job shedding, negotiations would be held with the trade unions, but it was hoped to shed most jobs through natural wastage and volunteers.

Senior stewards argue that cuts in car volume have already cost 300 jobs and many more could go following BL's decision to buy a VW gearbox for the new LC10 middle-range car scheduled to go into production at Longbridge late next year.

Longbridge currently supplies gearboxes for the Allegro and Ital models scheduled to be replaced by the LC10.

The Longbridge stewards in a letter to the 16,500 manual workers urge support for a proposed £20 a week pay claim. They insist that in the absence of a BL-designed gearbox for the LC10 the company should build the VW product under licence in the UK.

The "buy British campaign should apply to Leyland management as well as the public they exhort to buy our cars," the stewards maintain.

Reagan opens forceful campaign for sale of Awacs to Saudis

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT REAGAN yesterday formally opened his campaign to push through a major package of aircraft sales to Saudi Arabia in the teeth of fierce Congressional opposition. He started the congressional vetting procedure with an official pre-notification to Capitol Hill of his intent to sell.

The deal is bitterly opposed by supporters of Israel. Averting a congressional veto of the deal will be a big test of Mr Reagan's political strength.

Underlining his strong support for the sale, Mr Alexander Haig, the State Secretary, said on Sunday: "We intend to proceed and we intend to win."

A majority of the Senate has previously expressed opposition to the sale, which would involve five advance warning and control systems (Awacs) surveillance aircraft and equipment to increase the range and flexibility of 62 F-15 fighters already ordered by the Saudi Arabians.

But both houses must vote against the deal if it is to be stopped. This has not happened since the procedure became law in 1974, and intense lobbying can be expected from the Reagan forces. Congress will have 50 days to deliberate the matter after it reconvenes on September 9.

The estimated cost of the package has risen to $8.5bn (£4.57bn) nearly $4bn more than the rough figure given to Congress in the spring, following provision for extra ground stations and spare parts.

The Administration will argue that this makes it even more important that the sale should go ahead, as it would cover more than two-thirds of the price of a year's American supply of Saudi oil.

The opponents of the sale are afraid that circumstances could arise in which the aircraft might be used against Israel. They are, in any case, against the export of such high-technology to a potentially unstable area. At the very least, they want strict conditions on the use of the aircraft, with the U.S. maintaining a large degree of control.

The Saudis, however, have insisted that no strings be attached to the deal, which they are making into a test case of America's reliability as an ally.

Mr Haig argues that, by placing such sophisticated equipment in the hands of a friendly power, the U.S. will enhance its ability to "control events" in the Middle East. He says it is vital to America's national interest that the deal go through.

He has rejected suggestions that Israeli opposition to the deal could somehow be "bought off" by the offer of a new arms package to Israel on the grounds that the Saudi deal stands on its own merits.

Reports from Israel, however, suggest that Tel Aviv believes it may already have lost the battle to block the sales because of the deterioration in its relations with the U.S. after Israeli bombing attacks on the Iraqi nuclear reactor in June and on Beirut last month.

The attacks are thought by Israeli officials to have weakened the country's bargaining position.

One reason for yesterday's advance notification to Congress was to avoid embarrassing Mr Menahem Begin, the Israeli Prime Minister, who will be visiting President Reagan in Washington on the day that Congress reconvenes.

Meanwhile, Mr Reagan has asked Mr Caspar Weinberger, the Defence Secretary, to get together with Mr David Stockman, the budget director, to see how the U.S. defence build-up can be maintained in the face of the increasing difficulty of balancing the budget by 1984

Habitat to go public in autumn

BY CARLA RAPOPORT

THE LONG-AWAITED stock market debut of Habitat Design Holdings, the UK-based home furnishing group, is likely to take place in early autumn. The group's board has called for an extra-ordinary meeting on September 17 to consider capital re-structuring which would allow the group to obtain a full London Stock Exchange listing shortly afterwards.

The company is seeking the listing in order to push forward plans for more Habitat stores and to give a marketable value to its shares of which about an eighth are held by Habitat employees through a profit-linked share plan. Nearly 73 per cent of the shares are owned by Mr Terence Conran, the group's founder.

Habitat enjoyed several years of sustained profits growth up to June 1980 this year. Pre-tax profits slipped at the six months stage, but the full year figures are expected to exceed last year's total of £3.46m excluding a property surplus.

"We intend to continue expanding throughout the group," Mr Ian Peacock, finance director of Habitat, said yesterday. "Now seemed like a good time to take our intentions to the public."

The company operates 53 stores, of which 33 are in the UK, 14 are in France and Belgium and six are in the U.S.

Habitat, which opened its first shop in 1964 pioneered a formula of practical, cheerful home furnishings.

In all its stores, Habitat has based its furniture marketing on cost-cutting exercises such as self-assembly sofas and light-weight chairs. The company also favours an international mix of products, with an emphasis on French cookware and Scandinavian furniture. Sales grew to £21m by 1976 and then doubled to £44m in 1979.

In 1980, out of £58m total sales, some £33m came from the UK stores, which provided the bulk of the group's trading profit. Sales in France and Belgium were £21m while the U.S. produced £4m.

The U.S. stores showed a trading loss but the group says the U.S. operation is big enough to be viable.

The champions of homely earthenware pots and wooden spoons in a plain surrounding, Habitat also runs a design consultancy business which last year contributed £241,000 to trading profits.

Sony starts age of magnetic disc photography

By Guy de Jonquieres

A PROTOTYPE still camera using computer technology instead of film was unveiled in Tokyo yesterday by Sony, the Japanese consumer electronics manufacturer.

It is the first of its kind. Sony expects it to go on sale in 18 months to two years' time. Mr Akio Morita, chairman, said it would sell for about Y150,000 (£352.5), roughly the price of a high quality single-lens reflex camera.

Known as the Mavica, the camera weighs less than two pounds. It is not larger than a conventional 35 mm camera. It uses a special integrated circuit called a charge-coupled device to "read" the image captured by the lens and to convert it into electronic signals.

The signals are recorded immediately onto a tiny, revolving magnetic disc which operates on the same principles as systems used to store computer data. The discs, known as Mavipaks, will each record up to 50 pictures and cost about Y600 (£1.41).

No chemical processing is needed. The pictures can be viewed instantaneously on a television set by attaching a playback unit, the Mavipak viewer, which will cost about Y50,000 (£117.64).

Sony said that it was also working on a printer which would reproduce hard copies of colour pictures. It hoped to have the printer ready for sale at the same time as the Mavica camera.

Mr Morita expected a large market for the system, although he said it was unlikely to replace conventional photography. Sony planned to develop commercial applications for the Mavica as well as launching it on the mass consumer market.

The system can transmit still pictures rapidly over long distances by sending electronic signals down a telephone line to a television receiver and serve as a video movie camera when attached to a video tape recorder.

Partly used Mavipak discs can be removed from the camera, and the system will automatically find the next usable frame when they are reinserted. The discs can also be erased and reused.

Continued on Back Page
Film processing price war, Page 6

£ in New York

	Aug. 21	Previous
Spot	$1.8950-8960	$1.8580-8610
1 month	0.95-1.02 pm	0.78-0.85 pm
3 months	2.10-2.20 pm	2.10-2.20 pm
12 months	6.20-6.40 pm	6.35-6.45 pm

Oil concerns bar bids until N. Sea taxation changes

BY RAY DAFTER, ENERGY EDITOR

INTERNATIONAL oil companies have told the UK Government that they do not wish to bid for any further offshore exploration licences until North Sea taxation is changed.

The companies object to both the form and the level of offshore taxation.

The UK Offshore Operators Association, the main representative body offshore, has sent a message to Mr Hamish Gray, Minister of State for Energy, as part of its campaign to force the Government to change the tax structure. In the past the organisaion has urged Energy ministers to speed up the pace of exploration licensing.

The Energy Department said last night that it was "concerned" that the companies were dissatisfied with the present tax package. However, the present structure had been based, in part, on consultation with the industry. Companies had now been invited to submit recommendations for a long-term tax structure.

The Department, it is understood, had hoped to have announced details of a new round of licences—the eighth in a series of allocations—later this year. In recent months officials have been reviewing the offshore areas that might be included in the offer together with the licence conditions that might apply.

The Department said that there were no immediate plans for an eighth round. It had still not allocated all of the blocks in the successful seventh round.

Oil companies are angry about the changes in North Sea oil and gas taxation announced in the March Budget. In a move to raise an extra £1bn during the present 1981-82 financial year Sir Geoffrey Howe, the Chancellor of the Exchequer, introduced a new layer of taxation—the Supplementary Petroleum Duty—and made changes in the conditions of the Petroleum Revenue Tax.

Following these changes at least three leading operators—British Petroleum, British National Oil Corporation, and Occidental—have said that they are postponing the development of North Sea oil reservoirs. Other companies have warned of other exploration and production delays.

It is understood that they are particularly worried about the impact of changes in the Petroleum Revenue Tax.

The Offshore Operators' Association has told Mr Gray that it still holds the view that the Government needs to substantially increase the level of exploration if the UK is to remain self-sufficient in oil well into the 1990s.

It challenges his assertion that the record response to the seventh round of licences indicates that companies are satisfied with the tax structure.

Companies were taking a longer view on the assumption that eventually taxes would be changed to encourage exploration and development, the association said.

Times print union leader heads industrial relations

BY NICK GARNETT, LABOUR STAFF

TIMES NEWSPAPERS has appointed as industrial relations officer Mr Reg Brady, leader of the Sunday Times machine room section of the print union, Natsopa, and a long-time thorn in the flesh of Times management during its recent labour difficulties.

Mr Brady's chapel (office branch) was frequently blamed for substantial print losses. He secured a large pay increase for his members when the newspapers came back after the 1979 shutdown.

During the year long shutdown of The Times and Sunday Times Mr Brady was described by management as an individual who was a serious threat to the publication of the two newspapers and to the jobs of 3,000 people.

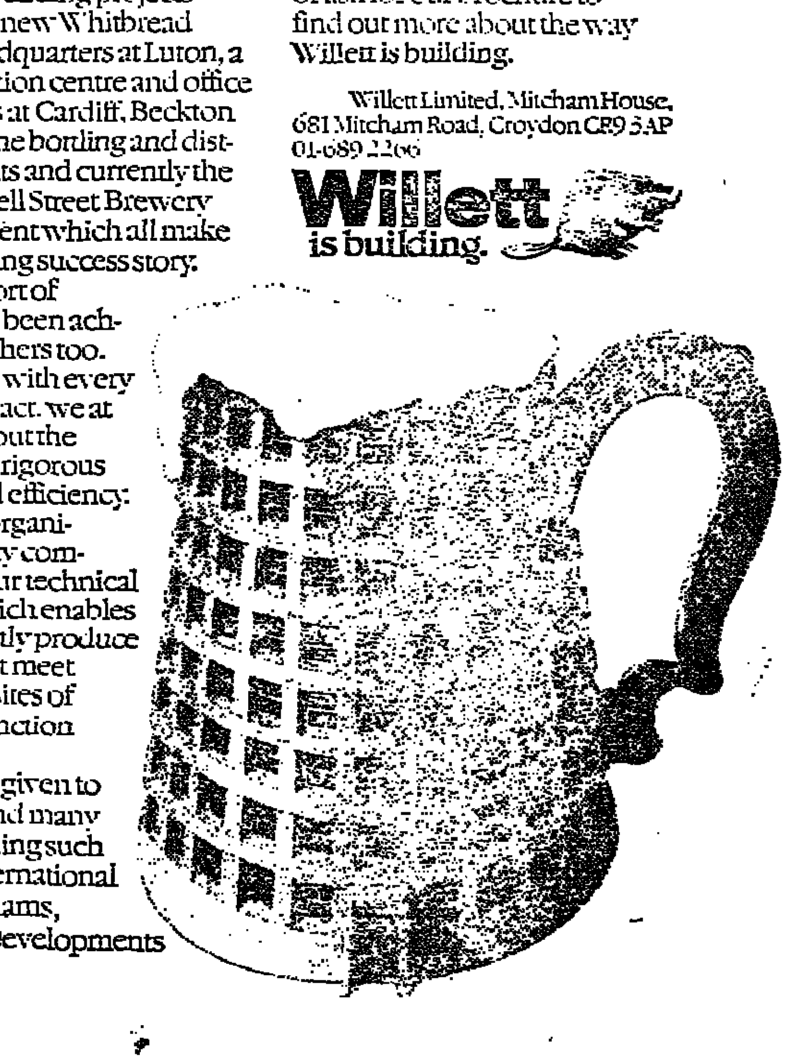
Mr Gerald Long, Times Newspapers managing director, said yesterday that Mr Brady had shown "an ability that is related to or is the same as management ability."

Mr Long said the skill and determination shown by Mr Brady during his role as father of the machine room chapel was a governing factor in Mr Brady's success in securing the job.

He had a substantial record of experience in the union which equated with a normal managerial role.

Mr Long denied that there was any negative motive involving removing Mr Brady from the post of father of the chapel because of his previous union activity.

"It was an 'illusion' that managements could do that to their own advantage," he said.



CONTENTS

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Russia tells allies to limit loans from West

By Our Moscow Correspondent

THE SOVIET leadership said yesterday that Poland's "excessive debt" to the West was a prime cause of its economic problems. The Politburo, in a statement published by the Tass news agency, urged the other Eastern bloc states to limit their dependence on Western banks.

Western diplomats said the Kremlin's advice is more political than practical, as most of the Eastern bloc states' financial involvement with the West is entrenched.

They add, however, that the Soviet Union evidently is having second thoughts about East-West economic relations, particularly about how the Soviet leadership may have been too lax in permitting Poland's trade union revolution to run its course during the past year.

The 14-member ruling circle of the Soviet Communist Party endorsed the results of President Leonid Brezhnev's meetings in the past six weeks with the East European leaders

At the same time the Politburo, in reference to Poland, said that "the practices of socialist development once again convince (us) how important it is for a Communist party to be strictly guided by the Leninist standards of party life." This is seen by diplomats as an implicit warning to the other Eastern block states to avoid following the same path as Poland in recent years.

Diplomats said the statement did not alter the Soviet policy toward Poland, which appears to be to tolerate reforms already enacted. However, they detected a note of regret, indicating that Mr Brezhnev and his colleagues wish they had acted more forcefully against Poland's activists during the summer of 1980.

The Warsaw regime feels it has nothing more to lose, a senior union adviser tells **Leslie Colitt**

Solidarity sees danger in Government's new mood

THE POLISH Government's attitude to the Solidarity union movement has hardened "because it feels it has little to lose." This is the view of Dr Bronislaw Geremek, an influential member of the union's leadership and a top adviser to Mr Lech Walesa. He compared the Government's mood with that of workers when they began their mass strikes in August last year but he warned that the development was dangerous.

Dr Geremek, a member of Solidarity's presidium, said that General Wojciech Jaruzelski, the Prime Minister, was not strong enough to oppose conservative Communist officials who were not interested in a dialogue with the union.

He said the "iron grip" on the mass media, especially television, by Mr Stefan Olszowski, the hardline politburo member, had brought about an impasse in the talks between the Government and the union. Solidarity is demanding greater access to the media in order to reply to what Dr Geremek called a "continuous provocation against public opinion."

Although General Jaruzelski had introduced several other military men into the Government, Dr Geremek said he did not believe the present administration was better than its predecessor. The country was in danger because of an "economic collapse which the Government is unable to stop."

He pointed out that Solidarity had accepted it when the authorities said they had no food, but the public was convinced it was untrue. He called this mistrust a further cause of the "catastrophic situation we are in."

Solidarity had decided, after the breakdown in talks with the Government earlier this month, on a new strategy reflecting its responsibility for Poland's future. It appealed to workers, especially miners, to "offer their labour, the only product they have to sell" and to work eight free Saturdays this year.

The union and the Government, however, were far apart on the issue of workers' self-management, which Solidarity viewed as a central element in an economic reform programme.

"I do not think the Government wants to introduce workers' self-management into the economy," Dr Geremek remarked. Solidarity was prepared to agree to a "special system" of electing directors of the country's largest enterprises which gave workers a "partial veto" but the Government did not want to discuss this.

On food price increases, he said the union did not plan to oppose the bread price rise set for next Monday because it was necessary. But it would press for its formula on financial compensation for workers which is weighted towards large families with low incomes.

Dr Geremek said that he and the other presidium members were not in favour of independent political parties challenging the Government in December's local elections. The bases of several parties, including a Labour Party, Democratic Party and Radical Workers Party, had been formed. Solidarity radicals were anxious to have them contest the election, believing it would be impossible for Poles to accept another rigged election after all that had happened since August 1980.

He agreed, but said the new parties were marginal groups reflecting the diverse ideologies within the union. Solidarity, however, had accepted the leading role of the Communist Party and "we do not think the formation of political parties would stabilise the political situation."

The issue for now was not new parties but the people to be elected, he said. There should be several candidates for each post in an election district.

"It would be in the Communist Party's own interest to nominate reform-minded party candidates if it wants voters to take part."

Debt talks planned next month

OFFICIALS FROM Poland's Western creditor nations will meet Polish government representatives in Paris on September 9 to discuss the possible rescheduling of the official debt which the country is due to repay in 1982.

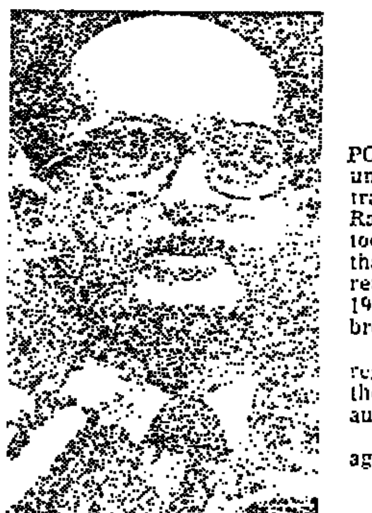
The meeting will involve 15 nations whose governments have extended or guaranteed some $10.5bn in debt to Poland. It will provide these creditors with an opportunity to discuss the development of the Polish economy over the period since their last meeting. In April, when they agreed to reschedule repayments of $2.5bn owing to Western governments this year.

On August 7, a preliminary meeting took place in Paris between four large creditor countries — West Germany, the U.S., France and Britain— at which the general question of economic assistance to Poland was discussed. This meeting also touched upon the issue o fthe 1982 rescheduling.

These meetings on Poland's official debt are distinct from the negotiations between Western commercial banks and Poland. The banks are still working towards a final agreement to reschedule $2.4bn of commercial bank debt which falls due in the last nine months of this year. Discussions of the bank debt due next year have yet to start.

More labour unrest threatened in provinces

BY OUR WARSAW CORRESPONDENT



Gen. Jaruzelski (left): vote could be embarrassing

POLAND FACED further labour unrest yesterday as municipal transport workers in the city of Radom said they would strike today to press their demands that officials responsible for the repression of workers in the 1976 food riots in the city be brought to justice.

The drivers also threatened a regional transport stoppage if there was no action by the authorities.

Printers in the city of Olsztyn again refused to publish the Communist Party newspaper in the region for the sixth time in a continuation of last week's newspaper strike.

They are demanding that Polish television "eat its lies" that Solidarity printers in Olsztyn had forced non-union printers to stop work.

Solidarity said Mr Janusz Onyskiewicz, its chief spokesman, would meet Government officials tomorrow to discuss this issue as well as television coverage of the union's first congress which opens next week in Gdansk.

At the giant Katowice steel mill in southern Poland, the union was preparing ballots for a referendum among the plant's 20,000 workers on whether to dismiss the director of the mill. He closed down the union's printing press after caricatures were printed which the authorities said were anti-Soviet.

Some 17,500 of the steelworkers are said to be members of Solidarity and the ballot could be acutely embarrassing to the government of Gen Wojciech Jaruzelski which is seeking a modified form of workers' self-management for key industries.

The Polish Government has published details of new prices for bread, bakery products and cereals which are to take effect next Monday. Bread will rise in price from Zl 6.7 (10p) for and 800-gramme loaf to Zl 16 while cereals will rise by three times, as will macaroni and rice. The state price commission said Solidarity's proposals for compensation to workers would be acceptable but would take time.

The hardline Polish army newspaper, Zolnierz Wolnosci, yesterday attacked a Solidarity militant, Mr Jan Rulewski, as being a "morbidly ambitious and mentally disturbed man." The newspaper said the union had recently been taken over by "extremist and adventurist forces of the mafioso KOR (Workers' Defence Committee) which want to push Poland into the abyss of social anarchy and national disaster."

AP adds from Prague: Czechoslovakia yesterday accused Solidarity of violence and blackmail for organising the printers' strike. Rude Pravo, the Communist Party newspaper, denounced the union for having prevented other workers from staying on their jobs.

"Stormtroopers of Solidarity forced many workers of the graphic industry to foresake work," Rude Pravo said.

Spadolini bid to curb power of parties

By Rupert Cornwell in Rome

the Italian Prime Minister, is trying to put right one of his country's principal institutional shortcomings—the lack of efficiency, and thus of power, in the Prime Minister's office.

For decades the function of Palazzo Chigi, the equivalent of 10, Downing Street, has been little more than that of a mediator between contending Ministeries and power groups. Every effort to change this has failed.

Sig Spadolini, the first non-Christian Democrat Prime Minister since 1945, is now trying to create a modern centralised instrument of Government along the lines of the British Cabinet Office, or the Elysee Palace Secretariat in France.

As a first step the Prime Minister, in office for 57 days, has set up three new departments at Palazzo Chigi of six originally intended. These are to be staffed by technocrats as little subject to party allegiance as possible and will handle legal and constitutional matters, economic affairs, and supervision of the Government's programme as it is carried out.

Details are to be completed within two months. Only four of the existing departments at Palazzo Chigi are likely to escape modification: personnel, the Press office, protocol, and the diplomatic section.

Sig Spadolini has never concealed his belief that the executive arm of Government urgently needd strengthening

What he is doing conflicts directly with the tendency of the various parties to appropriate many of the executive functions, and with the vested interests of individual ministries built up over years.

The result has been that the Prime Minister's office has been short of information on what was happening, and thus powerless to take initiatives normal in other Western industrialised countries.

Particularly sensitive will be the department in charge of supervising the programme of administration. The power that has accumulated in various substructures of the bureaucratic apparatus has meant that most laws and decrees are never put into practice.

The danger remains that the intentions will perish with Sig Spadolini's five-party coalition. He is trying to circumvent this risk by ensuring that the new appointees are not part of his personal staff, but belong to a re-designed Prime Minister's office.

U.S. Navy may use Gibraltar

By Our Gibraltar Correspondent

THE U.S. NAVY is reviewing naval facilities in Gibraltar with a view to the Sixth Fleet using the Rock. The review is being carried out in co-operation with Britain's Royal Navy.

A U.S. Navy team yesterday examined the Royal Naval Dockyard.

The future of the dockyard—one of Gibraltar's main sources of employment—is uncertain following the British Government's defence review earlier this year.

The U.S. stopped using Gibraltar once it became a serious diplomatic issue between Spain and the UK. The U.S. has a treaty with Madrid allowing it the use of two airbases and a submarine base on Spanish soil. It is known to have used Gibraltar for emergency repairs.

There have been rumours about a growing U.S. interest in Gibraltar, although these have always been denied by the Royal Navy.

Greek poll date

Greece will go to the polls on October 18. President Constantine Karamanlis said yesterday, writes our Foreign Staff. The election will be the third since the restoration of democracy in 1974 after seven years of military rule but thet first in which a change of government is possible.

W. German metalworkers may seek earlier retirement

BY STEWART FLEMING IN FRANKFURT

THE LARGEST trade union in West Germany, IG-Metall, is examining whether to include proposals for lowering the retirement age to 60, from the curreat minimum pensionable age of 63, in next year's wage claim.

The claim is now under discussion within the union and a decision on the retirement issue will not be made until shortly before official negotiations

Yesterday, however, union officials were pointing out that such a demand might be attractive to both union members and employers. It was also announced yesterday that Daimler-Benz, the big West German motor company, had reached agreement with IG-Metall on early retirement at 61 under certain conditions.

The union has had a long-term goal of lowering both the length of the working week and the retirement age. It now appears, however, that, in the short-term at least, the emphasis is being switched towards the latter.

It is felt that this is something which is more attractive to union members, assuming the terms of early retirement are satisfactory.

But it also fits more closely with the needs of the employers, particularly in the motor industry. They are faced with large retraining programmes and perhaps the need to trim employment as a result of introducing more productive machinery.

Politically, too, early retirement will be easier to justify, at a time of economic difficulty and worries about the productivity of industry, than a shortening of the working week. It has the advantage of transferring to the ranks of the retired workers who might otherwise be adding to the unemployment figures and whose unemployment benefits would be a further burden on the Government's budget.

After the mauling it received in public in the course of this year's bitterly fought wage round, IG-Metall will be paying close attention next year to the political impression its wage demands make. It is predicted generally that the coming wage round will be at least as tense as this year's.

CDU aims big gun at Hamburg

BY ROGER BOYES IN BONN

WEST GERMANY'S Christian Democratic Party (CDU) is to field Herr Walther Leisler Kiep, one of its most promising politicians, in the battle to win the Social Democrat stronghold of Hamburg in crucial state elections next spring.

Herr Kiep, the tall, suave party treasurer, is the nearest candidate the Christian Democrats have to star quality. He was once, rather unfairly, described as the West German Michael Heseltine. The annoucement, therefore, signals the CDU's determination to step up its challenge to the Social Democrat Party (SPD) in provincial elections, if necessary by siphoning off talent from the Parliamentary party in Bonn.

The Hamburg poll is already being viewed as an important indicator of the health of the Government coalition. The Social Democrats are determined that their humiliating defeat in West Berlin last May shall not be repeated in Hamburg, which also has a long Social Democratic tradition and which has spawned the career of Chancellor Helmut Schmidt, among others.

As a result, the Social Democrats recently announced that Herr Klaus von Dohnanyi, a Cabinet-level Minister, would replace Herr Hans Ulrich Klose as Mayor of Hamburg. Herr Klose had resigned because of his opposition to the planned Brokdorf nuclear power plant.

The CDU seems to be evolving a strategy of pitting liberal, enlightened candidates against SPD incumbents, and thus wooing away right-wing Social Democrats and eroding the base of the small liberal Free Democratic Party. This strategy gained them West Berlin.

The swing to the Christian Democrats would have to be particularly large in Hamburg—where the SPD has a convincing absolute majority—if Herr Kiep is to have a chance. There is some disillusion with its leadership among rank and file Social Democrats in Hamburg but the dissidents are overwhelmingly left-wing and, therefore, unlikely to vote for the conservative Christian Democrats.

The Hamburg election will serve as a useful barometer largely because it will come at about the time of the SPD party congress which may vote again on the stationing of U.S. nuclear missiles in West Germany. National issues such as nuclear missiles and nuclear energy, are bound to overshadow local problems.

Registration and output of cars fall again in July

BY OUR FRANKFURT CORRESPONDENT

WEST GERMAN car production and new registrations fell further in July but seasonal factors, including holidays, were largely responsible for the decline, the Government reported.

Car registrations fell by 2.9 per cent to 196,753 compared with June of this year, and were 1 per cent down on July 1980. For the first seven months of the year, registrations were 4.6 per cent lower than the same period in 1980.

July's car production figures also show a substantial decline (down from 226,621 cars to 206,500) bringing the cumulative decline for the year to about 8 per cent. Commercial vehicle production and automotive exports show roughly similar declines.

The head of the West German motor dealers association, commenting on the figures, said yesterday that after a five year boom the market is now saturated. The weakness of the domestic car market has had a marked impact on the profits of vehicle manufacturers, who have been hoping for a revival of demand in the autumn.

Earlier hopes of a fall in West German interest rates — and a reduction, therefore, in the historically high cost of buying a car — have been fading fast in recent weeks at a time when unemployment is expected to rise much more sharply than previously anticipated.

Output of steel down 2%

BRUSSELS — Steel production in non-Communist countries fell in July by 2 per cent to 37.5m tons compared with June but was 4.9 per cent higher than the same month last year, according to figures released yesterday by the International Iron and Steel Institute

The July figures were boosted by a strong resurgence in U.S. steel production from the depressed levels of a year ago.

The Institute said U.S. production was 49 per cent higher last month than a year earlier and 13 per cent up in the first seven months of this year. This reflected the U.S. economy's emergence from the worst effects of last year's recession.

Production continued to fall in the European Economic Community, where the industry has been plunged into crisis by falling demand in recession-hit sectors like cars and shipbuilding, the Institute said.

At 10.28m tonnes last month, EEC output was 6 per cent down on July last year and production in the year to July was 7 per cent lower than in the previous 12 months. Curbs on production have been in effect in the Community since last October.

Japanese steel output dropped 13 per cent in the first seven months of this year compared with the same period last year.

Agencies

Sheikhs and minarets give Spanish holiday resort a Moorish flavour

BY ROBERT GRAHAM, RECENTLY IN MARBELLA

THE MOSQUE gleams sugar-white in the Mediterranean sun. A fountain plays in the courtyard paved with black and white marble against a backdrop of newly planted orange trees. Everything is so new it has the neatness of an architect's moquette.

Sited on the outskirts of Marbella on the main Algeciras road, the dome and minaret rise conspicuously from freshly bulldozed earth. But the basic form is so natural to Andalucia, and has been imitated so many times in recent tourist developments, that it is almost a relief to encounter the real thing. It is the first mosque to be built in Spain since the expulsion of the Moors 500 years ago.

The mosque was inaugurated discreetly last week by Crown Prince Fahd of Saudi Arabia after being built in record time. The contractors took less than six months and even managed to employ a Spaniard converted to Islam. It symbolises a return of Arab influence to the area of the Costa del Sol, centred around Marbella, that is having a major impact on the whole region of Andalucia—though this time through the cheque-book not the sword.

In the last three years, this corner of the Spanish coast has become a favoured retreat for a select group of Arabs, principally from Saudi Arabia and the Gulf, who are pumping large sums of money into local real estate.

"Last year the municipality authorised private development of Pta 4.5bn and well over half of that was funded by Arab interests," says Marbella's Socialist Mayor, Sr Alfonsi Canas. This figure only applies to new development and excludes the purchase of existing property—which has accounted for a further substantial injection of Arab wealth.

The origin of new money is often hard to trace. But as much as two thirds of all development now taking place in the town is believed to be financed by Arabs (or Iranians).

Those who have built, or are building, read like a Who's Who of the Saudi political and business elite in particular. Starting with Prince Fahd, a sort of unofficial doyen of the Arab presence here, they include two of his full brothers, Prince Turki and Prince Salman. The Saudi business figures include Mr Adnan Kashoggi and Mr Mowffaq Al Medani. There is also Sheikh Zayed, the Ruler of Abu Dhabi.

The principal operator to emerge is Mr Medani who now either owns or controls the two most prestigous tourist complexes in Marbella. Through a Spanish-based company, Alrima, Mr Medani (who owns the Dorchester Hotel in London) has the five star Puente Romano Hotel and complex, and has bought a 75 per cent stake in the Marbella Club nearby. Associates say he is planning a $100m luxury development next door to the Puento Romano just outside Marbella.

A group of Lebanese businessmen have also taken over the large Don Carlos Hotel, formerly a Hilton hotel, and the coast is rife with rumours of further deals affecting some of its other major developments.

Indeed, all too often fact and fiction become hopelessly intermingled. Every Arab is automatically a sheikh, dropping petrodollars like confetti. The reality is slightly more mundane — though not always.

Prince Fahd's palace complex has been created by extending a hill, built up with thousands of tons of extra earth. The palace sits above the mosque and a special flyover has been installed to provide access. Prince Fahd also handed over $2m last year to the municipality to do what they saw fit (2,000 houses for the needy are to be built). Those who examine wrists closely have noted a sudden crop of gold encrusted shiekhly watches among Marbella locals. The two entrances to Sheikh Zayed's complex, one for men and the other for women, which caused wry comments because the guardia civil can be seen hovering outside the latter.

Strolling in the gardens of the exclusive Marbella Club

On the other hand, 2,000 socialites and hangers-on who recently turned up for a party given by an Arab Sheikh found a mild-mannered Lebanese shaking their hands and offering only Spanish champagne—without caviar. More significantly, the word appears to have gone out from the Saudi Royal Family that discretion is the order of the day — and this applies to appearances in casinoes as well as night clubs.

The catalyst for the Arab presence on the Costa del Sol was the visit of King Juan Carlos to Saudi Arabia three years ago. It also owes much to Spain's generally good relations with the Arab world and what appears to be a genuine sentimental attraction among wealthy Arab visitors to being in a country where there are still strong traces of Islamic civilisation, not to mention a magnificent climate. And Marbella's special attractions include a wide range of facilities from golf courses to health clinics.

The number of Arabs either living in Marbella or with business interests there remains small. In Spanish tourist statistics, Arab nationals are not yet classified by country but under 5 per cent of the 250,000 summer population of the Marbella region is thought to come from the Middle East.

Their wealth, however, has boosted what was otherwise a flagging and financially-strained property deevlopment business.

"They have bought into a number of large enterprises which Spanish groups no longer had the funds to operate and which were squeezed by higher interest rates, cost overruns and sharp jumps in manpower costs," one estate agent commented. Spanish capital now appears either unwilling or unable to risk large projects on the scale of the luxury port, Puerto Banus, that nearly proved the ruin of its promoter Sr Jose Banus.

Some are dubious about the long term benefits of this new money, arguing that the very rich arabs could quickly become bored, leaving their influence a transient phenomenon. According to estate agent Mr Ninian Crichton Stuart, an upmarket holiday resort like Marbella and its surrounds survives by continuing to attract wealthy but more middle class clients—those willing to pay $120,000 to $200,000 for three to four bedroom houses on prime sites.

Some of the new Arab-promoted development is aiming for people who will pay $1m and more for a property. But there is plenty of local optimism that the very wealthy are here to stay.

Accusation over oil deaths

The Spanish Socialist Party yesterday accused the Government of concealing the real number of deaths caused by the consumption of adulterated rapeseed oil, writes Robert Graham in Madrid. A statement issued by the Socialists claimed that in recent weeks at least eight more people had died than the 100 officially stated.

The Socialist claim was based on conflicting information provided by the Health Ministry. Since people started dying in May from "toxic pneumonia" caused by adulterated oil, the ministry has issued bulletins announcing each death. At the same time the official bulletin of epidemiology has published weekly figures. On July 31, when the Ministry said the accumulated total of deaths was 84, the bulletin printed that 92 people had died.

The Government last week created a Secretary of State for Consumer Affairs. One of his priorities will be to investigate how large quantities of adulterated rapeseed oil for industrial use managed to be refined and distributed causing more than 100 deaths and putting 12,000 people in hospital. If the

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Setback for Sharon's Palestinian initiative

By David Lennon in Tel Aviv

THE EFFORTS of Mr Ariel Sharon, Israel's Defence Minister, to find Palestinian leaders in the occupied territories willing to accept limited autonomy under Israeli rule have received a setback only a week after he began private talks with them.

Mr Hilmi Hanoun, of Tulkarem, one of the most moderate West Bank mayors, said yesterday that in a meeting last week with Mr Sharon he rejected autonomy as unacceptable and said any negotiation on resolving the Palestinian issue must be held with the Palestine Liberation Organisation (PLO).

Mr Sharon had hoped that local leaders would feel free to express a more moderate line in private talks, assuming that most Palestinians reject autonomy only because of pressure from the PLO.

Mr Hanoun shattered both the secrecy of the talks and the illusion about the Palestinians' attitude towards autonomy when he said he had met the Minister and had rejected the attempt to circumvent the PLO.

He said he told Mr Sharon that "the PLO is the only representative for the Palestinian people, and any solution the PLO accepts will be accepted by us. If Israel agrees to negotiate with the PLO, we may be willing to be a medium between the PLO and Israel."

Israel refuses any dealings with the PLO, which it describes as a terrorist organisation bent on destroying Israel.

The negotiations between Egypt, Israel and the U.S. on autonomy for the occupied territories are expected to reopen in the autumn. Israel hoped to persuade some of the Palestinians living on the West Bank or in the Gaza Strip to express some support for the idea, giving the peace process a boost.

The Palestinians have rejected the autonomy concept agreed at Camp David, claiming it is a device for legitimising the Israeli occupation of the Arab lands captured in 1967.

Hassan 'to meet Polisario leader' for talks over Sahara war

BY OUR FOREIGN STAFF

King Hassan of Morocco and Mr Mohamed Abdulaziz, leader of the Polisario Front guerilla group that has been *fighting to end* Moroccan control of the Western Sahara for the past six years, were both in Nairobi yesterday *preparing for talks* which could end the six-year war. Their scheduled meeting will be their first personal contact.

The talks take place *under* the auspices of the Organisation of African Unity (OAU), which is attempting to organise a referendum to decide whether the disputed phosphate-rich territory becomes independent.

Seven African heads of State have joined the talks, an *indication of OAU concern* about the referendum negotiations.

Spain withdrew from the *Western Sahara in early 1976*, and Morocco and Mauritania each annexed part of the territory. Two years ago Mauritania gave its part to Polisario, but this was quickly occupied by Moroccan forces.

At the OAU summit in Nairobi in June, King Hassan reversed his long-standing refusal to hold a referendum because the war had split the 50-nation OAU.

The African leaders created a *seven-nation committee to* meet before the end of this month with Morocco and Polisario. Algeria and Mauritania were invited to attend.

The seven members of the so-called "Committee of Wise Men" are Guinea, Kenya, Mali, Nigeria, Sierra Leone, Sudan and Tanzania.

Mr Shehu Shagari, Nigeria's President, arrived in Nairobi on Saturday for a pre-summit state visit. Mr *Gaafar Nimeiri, Sudan's President*, arrived on Sunday morning, followed by Dr Julius Nyerere, the Tanzanian President, and President Chadli Benjedid of Algeria.

President Daniel arap Moi of Kenya, current OAU chairman, presided at the mini-summit, which is being attended by Foreign Ministers of the other countries.

Each side has lost thousands of dead, wounded and *captured in the guerrilla war*, estimated to have cost Morocco up to \$3m (£1.6m) a day.

King Hassan has been forced to deploy most of his 100,000-strong army in the Sahara to counter ambushes and hit-and-run raids.

Organising a referendum in the Western Sahara will be difficult for two reasons. First, the only census carried out — by Spain more than 10 years *ago — found 75,000 people in* the towns but did not attempt to solve the question of the number of nomads.

Second, most people fled to sanctuaries in neighbouring Algeria in the winter of 1975-76. A referendum held without these refugees being consulted almost inevitably would be disputed.

Spanish repression before and after the Second World War led many Saharan people *to leave and take refuge in* Morocco and Mauritania.

David Dodwell, recently in Colombo, assesses the gravity of Sri Lanka's latest violence

Rioting pushes communal tensions to breaking point

SRI LANKA would have liked *to remember 1981 as its 50th* anniversary of democracy. Instead, after unprecedented communal bloodletting over the *past three months, it is likely* to be remembered as the year when historically fragile relations between the majority Sinhalese *and minority Tamils* slipped into irreversible decline.

Ministers in President Junius *Jayawardene's government* openly admit that four years of painstaking effort to build bridges between the two communities have been reduced to rubble. Militants and chauvinists at both ends of the communal spectrum now hold the initative. A week-old emergency has won a truce, but the wounds inflicted over the summer remain open and untended.

Sri Lanka's Sinhalese, who make up about 75 per cent of the country's 15m population, have through 1,500 years had tense relations with the country's Tamils. Setting aside the *recent Tamil immigrants from* India, most of whom work on the tea plantations, the 2m strong Tamil community (about *13 per cent of Sri Lanka's* population) lives mainly in the inhospitable limestone regions of the north and east of the *country. Lacking the lush agri*cultural lands which the Sinhalese farm in the south, they have become businessmen *and traders, putting a high* value on education. They are often resented in the way that Jews have been resented in Europe and Chinese in south east Asia.

Tensions have heightened *since the country's independ*ence in 1948. The declaration of Sinhalese as the national language stimulated calls for an *independent Tamil state — to* be called Eelam — and spawned small, elusive groups of Tamil militants which have earned *local renown as the "Tamil* Liberation Tigers."

The pattern of sporadic attacks in the north, mainly on *Sinhalese policemen, was broken* in 1958 and again in 1977 by eruptions of greater violence. But clashes over the past three *months have flared on an* unprecedented level — taking communal tensions close to breaking point:

- Police and army personnel — mainly comprising Sinhalese officers — have for the first time abandoned their neutrality. *In* some cases, they lead attacks on Tamil communities. It is officially admitted that they went *"on the rampage" in the* Tamily capital of Jaffna in June.
- Shops and homes have been burned and looted around *Jaffna, and in numerous com*munities around Colombo.
- Tamil plantation workers, never before drawn into the violence, *have been driven off* 40 estates in the centre of the country. Up to 7,000 are still taking refuge in temples and *schools in the area.*

The Government called an emergency first in the northern areas *in June, after local elec*tions, and eventually last week across the whole country. This dramatic erosion in communal *relations is a critical setback for* President Jayawardene, who has over four years worked hard to bring together the two *communities.*

His first achievement was to woo into his United National Party (UNP) government two Tamil leaders. One of these, Mr S. Thondaman, is the unchallenged leader of the Tamil community on the plantations.

President Jayawerdene had next intended that district development council elections, held early in June, would be an important and popular concession to the Tamils of the north.

But the macabre events around Jaffna in the week before the elections ruined all Government hopes. Tamil militants first shot and killed the UNP's leading election candidate, and a few days later shot and killed three policemen at an election rally. The mainly Sinhalese police and army then went on the rampage.

As an emergency was called in the north to keep the simmering communities apart, Tamil MPs took their battle to parliament, with a vote of no confidence in the government. The response of the Sinhalese MPs was to go on the offensive, and what followed was perhaps the most racially poisonous debate in Sri Lanka's history. After two hours of pandemonium, Tamil MPs walked out and have boycotted parliament *ever since.*

While the obvious first cause of the clashes is communal acrimony, flames have been *fuelled by the country's* economic difficulties. In an attempt to control inflation and budget spending, the government *has made deep cuts into* capital spending programmes, welfare, health and education spending—for which Sri Lanka has long been proud—and has slashed subsidies on essentials.

Whatever the economic environment, however, the clashes will ultimately be seen as racial.

72 Iranians executed in one day

By Terry Povey in Tehran

THE IRANIAN authorities were reported to have executed 72 people yesterday in what appears to be the highest number of executions in one day since the current violence began in late June.

The deaths bring to 815 the number officially reported executed since June 20. Of these, 417 were members of the radical People's Mojahedin organisation, which is leading the violent opposition campaign against the Khomeini regime;

Ayatollah Khomeni, the revolutionary leader, called on the police force to step up its contribution to the anti-terrorist campaign. He told police officers: "You must join in the fight against them, keep them under observation and discover their hiding places so that we can rid the country of them."

His comments follow recent widespread criticism of the police for their lack of activity and assistance to the other security forces in dealing with the violent opposition attacks.

A few hours before the Ayatollah spoke to the police, 15 armed men surrounded and *attacked the home in Tehran* of Ayatollah Rabini Amlashi, the prosecutor-general. He was not injured during the 30-min incident.

Also reported were ... attempts—both ... assassinate Tehran' ... and a member of parliament.

With the violent attacks switching from bombings to assassinations, the wave of arrests and executions has grown.

Begin due in Egypt for summit

By Anthony McDermott in Cairo

MR MENAHEM BEGIN, Israel's Prime Minister, is due to arrive in Alexandria today for two days of talks with President Anwar Sadat. It will be the 11th meeting between the two leaders.

The priority for both sides is likely to be the renewal of talks on Palestinian autonomy.

Egypt wants to obtain some substantial concessions from Israel while Israel is more interested in keeping the talks going to indicate that the peace process with Egypt, stemming from the Camp David accords and the peace treaty, is continuing.

It looks unlikely that the meetings will produce more than agreement that the autonomy negotiations should restart.

Mr Sadat has to tread carefully to ensure that nothing jeopardises the most important aspect of the agreements with Israel—the final withdrawal of forces from Sinai next April.

Israel has been pressing for "normalisation" in relations

Soviet Deputy Foreign Minister in Pakistan talks

ISLAMABAD — The Soviet Deputy Foreign Minister, Mr Nikolai Firyubin, arrived in Islamabad yesterday for discussions expected to include the crisis in Afghanistan, which has again appealed to Pakistan and Iran to join it in direct talks.

Mr Firyubin's visit is the first by a top Moscow official since the Soviet intervention in Afghanistan 20 months ago.

Pakistan's Foreign Ministry said the trip is routine, and would involve discussions about the agenda at next month's session of the United Nations General Assembly *and bilateral* relations, including Afghanistan.

But the visit takes place at a *time of increased international* efforts to work out a political settlement in Afghanistan. The Afghan Foreign Minister, Shah Mohammed Dost, yesterday renewed appeals to Pakistan and Iran to agree to direct talks with the Kabul Government, the official Tass news agency reported in Moscow.

It said he told a news conference in Kabul that direct contacts between Kabul, Tehran and Islamabad could lead to a political solution and to the withdrawal of Soviet forces from Afghanistan.

Iran and Pakistan have so far rejected talks with Afghanistan, saying such a step would mean *recognition of the Soviet-backed* government and would legitimise the military intervention.

Two top officials of the Reagan administration arrive in Pakistan later this week. They are Mrs Jeane Kirkpatrick, ambassador to the United Nations, and U.S. aid administrator, Mr Peter McPherson, who is responisble to President Reagan for all U.S. economic assistance.

Reuter

Seoul aims at 7% growth

BY ANN CHARTERS IN SEOUL

SOUTH KOREA'S economic strategy in the fifth five-year plan envisages 7 to 8 per cent annual growth in gross national product while reducing *inflation* to single figures by 1986.

Mr Shin Byeng-Hyun, Deputy Prime Minister and Minister of *Economic Planning*, announcing details of the plan, said exports will continue to fuel growth by increasing at 11 per cent a year *in real terms to reach* \$53bn (£28bn) in 1986.

Government officials say South Korean-made products *can maintain their competitive*ness abroad as labour costs will be kept on a par with those of its main rivals. Domestic prices, they estimate, should stabilise under strong Government policies to restrict the money supply and limit devalua*tion of the currency.*

According to the plan imports are expected to increase by 8 per cent a year to \$55.5bn in 1986 when the current account deficit will be reduced to \$3.6bn. Last year's deficit was \$5.3bn.

Government spending for social programmes will be increased to almost 29 per cent of the budget, up from the 23 per cent of the last five years, to spread economic progress to more of the people.

France pledges stronger support for Quebec

BY VICTOR MACKIE IN OTTAWA

FRANCE under President Mitterrand will take a more "affirmative" attitude to Quebec's national aspirations than the previous French administration, according to a senior official of the French External Affairs Ministry.

M Andre Chandernagor, a junior minister in charge of European affairs, told a Quebec audience at the weekend that France would provide support for "the national destiny" of the province.

His remarks were one of the strongest statements of support the Parti Quebecois Government has received from a French official.

M René Levesque, the province's Premier, met privately with M Mitterrand during the recent summit economic conference in Ottawa to discuss France's position regarding the Quebec Government's determination to achieve separatism, but M Mitterrand declined to comment following their meeting.

France's support for Quebec nationalism was first expressed by former President Charles de Gaulle in his famous "vive le Quebec libre" speech in Montreal in 1967. Since then, after vigorous protests by the Canadian Government, the French Government has refrained from any such direct statement of support for Quebec independence.

Speaking to a banquet of the second international congress of the France-Quebec and Quebec-France Association, M Chandernagor said he wished to give a more positive formula for Quebec-French relations than had been the case with the previous government.

"In the past the formula was non-interference and indifference," said M Chandernagor.

"Our attitude will be more affirmative than that succession of negations," he said.

M Chandernagor pledged his Government "to help Quebec in the extraordinary effort of emancipation and explosion of the Quebec personality and identity.

M René Lévesque, Premier of Quebec

"The work is certainly not finished," he said. "France's political will, without any doubt, is to support this evolution with all its strength."

However, he made is clear he was not endorsing a particular constitutional future for Quebec.

Israel to avoid clash over Awacs

By David Lennon in Tel Aviv

ISRAEL believes it hay already have lost the battle to block the sale of Awacs and other advanced weaponry to Saudi Arabia, but will continue to fight the deal while avoiding a direct confrontation with President Ronald Reagan.

Earlier this year the Begin Government believed it could muster enough support in Congress to halt the sale, but the deterioration in relations after the bomb attacks on Iraq and Beirut is thought by officials to have weakened Israel's bargaining position.

Because of the strain which already exists between Israel and Washington, the Government is anxious to avoid exacerbating the situation by becoming involved in a head-on clash with the Reagan Administration.

Officials indicate that the earlier policy of opposing the sale with every means at its disposal has now been dropped by the Government. It has adopted the position that it will continue to express its opposition as a "legitimate debate between two allies" while avoiding confrontation.

Israeli officials believe that providing the Saudis with the sophisticated surveillance aircraft will expose the country's secrets to the eyes of a hostile Arab state. It also fears that the reconnaissance data will be passed on by the Saudis to other Arab countries and even the Palestine Liberation Organisation.

Mr Menahem Begin, the Prime Minister, will meet in Washington with President Reagan on September 9, the date on which the 50-day period during which Congress can veto the sale begins. He will tell the President of Israel's fears for its security

AP reports from Naples: One of the two U.S. Navy pilots who shot down two Libyan fighter aircraft last week said yesterday he fired in self-defence but knew at the time it would "cause a ruckus."

Rift as Argentine Minister quits

BY OUR BUENOS AIRES CORRESPONDENT

ARGENTINA'S Industry and Mining Minister, Sr Eduardo Oxenford, has resigned and will be replaced today by Sr Livio Kuhl, an officer of the Argentine industrial union and president of the Celulosa Juy paper company.

Sr Oxenford's resignation is the first split to appear in the country's economic team which took office with the change of Government on March 29.

The resignation was due to continuing friction with Dr Lorenzo Sigaut, Economics Minister, Oxenford was widely known to believe Sr Sigaut had not taken sufficient measures to pull the country's ailing industrial sector out of its crisis.

Recently announced measures t help refinance industrial debts were not enough for Sr Oxenford. There was also deep division over a new tariffs policy, with Oxenford favouring a number of import duties aimed at protecting different industrial sectors to a varying degree.

Sr Sigaut and Sr Carlos Garcia Martinez, Trade Minister, favour a blanket single tariff policy.

The difference between Sr Oxenford and Sr Sigaut came to a head after an hour-long televised speech last Wednesday in which Sr Sigaut said a study of the new tariff policy would be complete in September.

The following day Sr Oxenford issued a statement saying the country's new industrial policy would be decided by next April. Only after that would the new tariff regime be considered.

Sr Oxenford's resignation has caused widespread concern among industrialists who seem his as one of the only available candidates with the stature to put forward their interests.

Sr Sigaut's speech to the nation painted a rosy future for Argentina. He forecast the end of the current economic recession within the next few months, although gross domestic product will fall by 3 per cent overall this year. A growth of 6 per cent annually could be expected for 1982-84.

The $2.5bn trade deficit recorded in 1980 will turn into a surplus of $1.1bn this year. Surpluses of $3bn a year are forecast for 1982 and 1983, and $2.5bn for 1984.

Reductions in public spending plus higher Government incomes because of the rise in economic activity will mean the budget deficit — currently running at 5 per cent of GDP — will be eliminated within the next few years, Sr Sigaut said.

U.S. CHEMICAL INDUSTRY

Judge rules against price signalling

BY DAVID BUCHAN IN WASHINGTON

IF YOU want to indulge in a bit of price-rigging, you do not have to conspire with fellow executives from rival companies in some smoke-filled hotel room. That would be old-fashioned. You can, instead, ring up the Financial Times or your neighbourhood prestige newspaper, and publicise your latest price change, in plenty of time for the "competition" to follow suit.

That, with a few refinements, is what a Federal Trade Commission Judge in Washington has just ruled four chemical companies have been doing to charge the same prices for lead additives to petrol. The companies are Du Pont, Ethyl Corporation, PPG Industries, and Nalco Chemical Corporation. The additives are designed to stop engine knock.

The FTC judge, Mr Ernest Barnes, stressed the companies were not charged with, and were not guilty of, criminal conspiracy. But he noted that the more gentlemanly means they used were just as effective. Of the 24 price increases on the "anti-knock" additives between 1974 and 1979, the companies announced identical price changes on the same day in 20 instances. In the other four cases, identical prices were announced to take effect within a day or so.

It is the first "price signalling" case brought by a government agency in the U.S. Its outcome is highly uncertain and the companies are sure to appeal. The full five-man FTC commission has yet to review the judge's ruling, which even if upheld can then be challenged in a federal court. One part of Judge Barnes's order is already being questioned on freedom of speech grounds. This is that the companies refrain from informing customers of price changes on the anti-knock additive until the day the change takes effect, and from telling the Press until 30 days after.

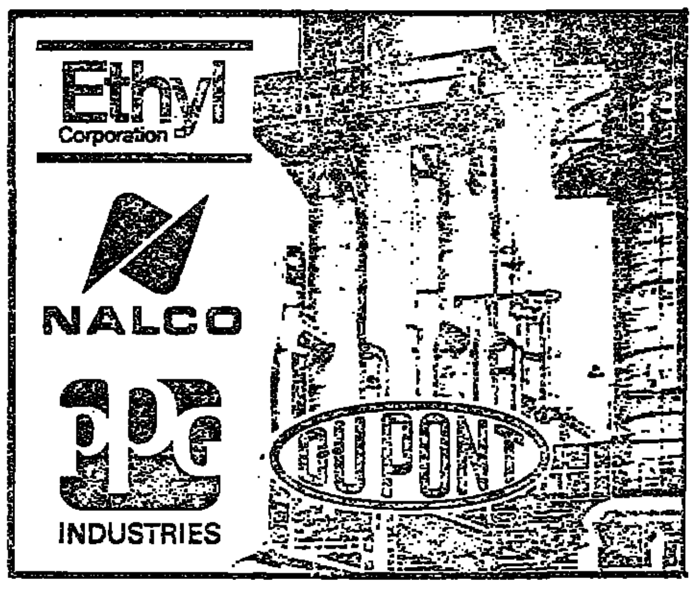
If you, as a customer, were offered by all your suppliers:

- at least 30 days' advance notice of a price change;
- a promise not to sell to anyone else cheaper;
- a standard price no matter how far away your plant, you might not feel hard done by. But, in this case, you would be wrong, said the FTC judge.

The theory that price signalling is pernicious rests on the observation that uncertainty about pricing leads to competition, and vice versa. In the "anti-knock" case, either Ethyl or Du Pont, the two leaders in this market, would move first, testing the waters to see if the price change would stick and then their rivals would follow.

Up to 1977, the companies used press releases to announce their price changes. They stopped this when Mr John Shenefield, the Carter Administration's anti-trust chief started talking of empanelling grand juries to investigate price signalling.

But customers, in this case petrol refiners, were a good source of information and communication on prices. Such information, the FTC ruling alleges, was made more reliable by the system of "uniform delivered pricing." This removed any uncertainty that one supplier might have about another supplier discounting to customers by juggling freight charges.



Ethyl and Dupont also had "most favoured nation" clauses as standard in their sales contracts, promising a single price to one and all customers. The two smaller companies used this less frequently. According to Judge Barnes, these clauses "discourage deviation from list price by making such deviations expensive and by increasing the likelihood that the deviations will be discovered and matched."

The FTC staff were attracted to the anti-knock market as a test case because of its peculiarities. It has, perforce, suffered declining demand since 1973 when the Government ordered the phasing of lead out of petrol on health and environmental grounds. But prices, and for a while profits, did not fall. This led the FTC staff to suspect that other than market forces were at work.

Are there parallels elsewhere? It would seem price signalling might only be effective in industries with few competitors so that communication is easier, with a product that is homogeneous so that price comparison is simple and for which there is inelastic or declining demand so that there is no temptation to go for volume by price undercutting.

At one time or another, the Justice Department has looked for price signalling in the iron ore, aluminium, and newsprint industries. They meet some, but not all of the above criteria. Only the newsprint investigation is still alive.

Third World on the way to industrialisation

BY BRIJ KHINDARIA IN GENEVA

ALMOST 80 per cent of the Third World can expect to become well established on the road to industrialisation by the year 2000 compared with only 30 per cent already on that path.

That forecast comes from the Geneva-based United Nations Conference on Trade and Development (UNCTAD) in a 280-page report on trade prospects up to the year 2000.

Trade among developing countries has grown much more quickly than the trade rate of industrialised countries in recent years. By 1990 developing countries will sell more than half their manufactured goods to other developing countries.

The share of manufactured goods in total exports to other Third World countries has already risen to 51 per cent from 27 per cent in 1960, while the share of food fell from 43 per cent to 29 per cent between 1960 and 1979 and the share of agricultural raw materials from 24 per cent to 11 per cent in the same period.

Because of their dependence on industrialised countries, Third World countries can expect only a 4.5 per cent yearly growth rate in the 1980s. Unless developing countries manage to score average growth rates of more than 6 per cent, their unemployment problems will worsen in coming years resulting in social and political unrest which would jeopardise western economic prospects, says the report.

More emphasis on trade and industrial co-operation among themselves could reduce their dependence on western economic performance and bring substantially higher growth rates as well as quicker industrialisation.

"Developing countries have begun to realise that they cannot find a way out of their problems merely by improving trade with industrialised countries. They have a lot to give to one another in trade, technology, finance and other areas," said Mr Gamani Corea, UNCTAD's Secretary General.

The report continues: "Success will depend mainly on structural changes within developing countries." To bring about those changes, it recommends an international system which offers better incomes for Third World commodity exporters to provide money to buy machinery from both western nations and other developing countries.

Another important measure would be to provide investment funds. These need not come mainly from richer nations, but from within the Third World, where enough savings exist but are not made available to investors because of lack of banking facilities. The report calls for more action by governments to control transnational corporations.

Probably the biggest problem facing developing countries is their growing foreign debt which is expected to reach $450bn (£247bn) by the end of 1982, involving interest payments alone of $50bn, representing 10 per cent of the Third World's total export earnings. Long-term loans to developing countries from banks have increased sharply to more than 50 per cent of all loans from only 15 per cent in 1971.

In a criticism of the World Bank and other official lenders UNCTAD asks whether they follow trends set by private bankers rather than fixing independent policies. It notes that the IMF gave 50 per cent of its loans in 1975 and 40 per cent in 1976 to the 11 developing countries which were major borrowers on Euromarkets although many other developing countries faced acute balance of payments difficulties in those two years.

Car companies warn Australia on imports

BY PATRICIA NEWBY IN CANBERRA

FORD AUSTRALIA and General Motors-Holden, the wholly-owned subsidiaries of the North American vehicle manufacturing giants, have awarned the Canberra Government that they will substantially cut operations in Australia if tariffs are lowered.

Within the next few weeks the fderal cabinet will consider its post-1984 plan for the motor vehicle industry. At present the five local manufacturers—Ford and GM-H, Mitsubishi (which took over Chrysler last year) Nissan and Toyota — are guaranteed 80 per cent of the local car market. This is achieved through quantitative restrictions limiting car imports to 20 per cent of the market and tariffs on those which are allowed in.

The Government's advisory body, the Industries Assistance Commission (IAC) has recommended that from 1984 quotas on imported cars be abolished and tariffs reduced from 60 to 50 per cent.

The IAC's recommendations are being opposed by the car manufacturers, the Federation of Automotive Parts Manufacturers and vehicle building unions.

Sir Brian Inglis, chairman of Ford Australia, said at the weekend that Ford could scale down its operations, possibly closing its factory in Geelong, Victoria, if the IAC's recommendations were adopted. Thousands of jobs would be lost. GM-H has warned that it might revert to importing cars and scale down its workforce from the current 17,500 to around 1,000.

The automotive parts manufacturers predict a total loss of jobs of up to 40,000. Australia produced 318,000 cars last year.

The federal Government is under pressure from the Victorian and South Australian state Governments, the states most likely to be affected, to leave protection levels unchanged.

However the Government is also under pressure from the resources and rural sectors of the economy to lower tariffs to ease inflationary pressure by making imports cheaper and to take pressure off the Australian dollar which has been rising over the past year to the detriment of exporters.

Shippers fear London insurance restrictions

BY OUR CANBERRA CORRESPONDENT

THE AUSTRALIAN Chamber of Shipping believes London insurance brokers are considering limiting insurance for Australian exporters because of continued industrial strife at the country's ports.

The Chamber has sent telegrams to Mr Malcolm Fraser, the Prime Minister, Mr Ian Viner, the Industrial Relations Minister, and Mr Clifford Dolan, president of the Australian Council of Trade Unions, seeking urgent discussions on what it describes as a "virtual blockade" of Australian ports.

Mr Llew Bowen, executive director of the chamber, said yesterday that more than 60 ships had been delayed at Australian ports in the past week because of industrial disputes or union bans.

Shipowners were losing more than A$1m (£641,000) a day, not to mention the potential loss to exporters of millions of dollars worth of exports.

"The waterfront situation in Australia is now viewed so seriously overseas that major London underwriting managers for strike insurance are talking of applying increased restrictions to Australian coverage," Mr Bowen said.

John Moore adds: Officials at Lloyd's of London yesterday denied that any action of the kind suggested in Australia was in fact taking place in the Lloyd's market. But officials admitted that London brokers placing business through subsidiaries with Australian insurance companies or other overseas insurance groups might be considering the course of action suggested by the Australian Chamber of Shipping.

Threat to Israel's trade fairs

BY DAVID LENNON IN TEL AVIV

ISRAEL'S industrialists are threatening to boycott trade fairs designed to promote exports and even to halt production in protest over a Government decision to reduce the amount of cheap credit provided to exporters.

The Manufacturers' Association, which represents the private sector, claims that the Government's current economic policy favours imports over exports. This is especially damaging at a time when the weakness of the European currencies, in relation to the dollar, has severely reduced the profitability of exports, according to the association.

The revolt of the manufacturers almost closed Israel Fashion Week, even before it opened in Tel Aviv yesterday. Textiles manufacturers were persuaded to participate only because hundreds of buyers had already arrived from Europe. They are still threatening to pull out of the fair after two days.

The Bank of Israel, with the backing of the Treasury, recently decided to reduce subsidised credit to exporters for the next four months as part of an effort to curb Government spending and ease inflation

However, the Manufacturers' Association decided this week to boycott the Metals Trade Fair to be held in November and the Food Fair scheduled in January. If the Government fails to respond to these boycotts, then the Association will shut down all private export industries for a week.

Sugar company criticises EEC

WASHINGTON—The Great Western Sugar Company, a major U.S. refining and processing concern, has lodged a complaint with the U.S. trade representative alleging that EEC subsidies on sugar exports violate the General Agreement on Tariffs and Trade (Gatt) subsidies code and the U.S. Trade Act of 1974.

The company, based in Denver, Colorado, said in its complaint that sugar producers in the U.S. will lose $1.7bn (£900,000) in 1981 through what it called the EEC's "unfair trade practices."

The company said these practices were inconsistent with the principles of free trade.

It added that EEC subsidies had drastically depressed the price of sugar on world and EEC markets. Sugar prices will be cut by 12.43 cents a pound in the U.S. this year, it said.

Great Western said the EEC had used export subsidies to obtain more than an equitable share of world export trade in sugar and to displace sugar exports from the U.S. and other countries.

The company's petition said the EEC's agricultural policy allowed its sugar producers to dump excess supplies of sugar on the world market even during times of excess supply and low sugar prices, the petition added.

The company added that the EEC's dumping of sugar was especially unfair because other sugar exporting countries, including the U.S., had voluntarily agreed not to export sugar when the world price was low. Reuter

German sales to Indonesia boom

BY RICHARD COWPER IN JAKARTA

WEST GERMAN companies are continuing their drive to capture a sizeable host of multi-million-dollar contracts being offered by the Indonesian Government in its bid to expand the country's industrial base.

So far this year at least five West German companies have been awarded contracts worth a total approaching $1.2bn (£634,000). Two of these contracts, however, have been won in controversial circumstances, raising questions about the way Jakarta handles bids on some Governments contracts.

This month Coutinho Caro of Hamburg won a $132m contract from the Indonesian Government to build a 590,000-tonne expansion to a cement plant in South Sulawesi. The $83m foreign costs of expanding the Tonasa plant will be financed by export credits from the West German Government, with the rest being provided by the Indonesian Government. Another West German company, Lercher, won the contract to build a much smaller $35m "mini-cement" plant at Kupang in West Timor, for which the West German Government is providing some $15m in export credits.

While the cement contracts were straight-forward, a decision by the Indonesian Government to award a letter of intent earlier this year to a subsidiary of Siemens for the construction of a $55m nuclear test reactor, has sparked controversy, the decision to award the contract to Siemens was taken despite the recommendations of two Indonesian Government agencies that the General Atomic Company of the U.S. be awarded the contract.

Count Otto Lambsdorff, the West German Economics Minister said a DM 30m grant (£6.5m) offered Indonesia by the West German Government to help finance the construction of the reactor was made for "technological" reasons and not to help to build the reactor. The contract was awarded to Atomreaktorbau.

In another contract officials of the state-owned oil company, Pertamina, expressed anger that despite their recommendations that a $250m methanol plant contract go to Davy McKee of Britain the contract was awarded to Lurgi Gesellschaften. However, the decision to withdraw a letter of intent originally awarded to Davy was partly fuelled by a textile dispute with Britain.

Dollar's renewed strength damages U.S. competitiveness abroad

BY DAVID LASCELLES IN NEW YORK

CONCERN IS growing both in Washington and corporate America about the impact that the strong dollar is having on U.S. foreign trade.

While no-one expects it to do the same damage that the strong sterling did to Britain's much more foreign trade-orientated economy earlier this year, it is bound to affect America's international competitiveness, and hence its balance of trade. Mr Malcolm Baldrige, the Commerce Secretary, has said he foresees "a rough trade climate for the months to come."

When the dollar hit its peak earlier this month, it had risen in value by more than 10 per cent against the currencies of major trading partners since March alone, according to the trade weighted average compiled by Morgan Guaranty, the New York bank. But the gain against selected trading partners was much higher than this.

In the past 12 months, the dollar has gained 30 per cent against the D-Mark, 10 per cent against the yen, 22 per cent against sterling and 24 per cent against the lira.

Although U.S. exporters began to feel the pinch earlier this year, the first big sign of trouble came on August 5, when the Commerce Department reported that exports declined slightly in the second quarter, by 1.2 per cent to $60.39bn (£33.1bn). The value of imports, on the other hand, rose by 2.5 per cent to $67.37bn.

The department blamed this reversal of a previously improving trend specifically on the dollar. The U.S. is now unlikely to better last year's deficit of $36.4bn as was once hoped. Instead, the gap could end up closer to $40bn.

The U.S. runs a surplus on its overall balance of payments thanks to the positive flow of invisibles. But some economists believe that even this could be in jeopardy if the dollar stays high. Chase Econometrics, the economic forecasting group, recently predicted that the U.S. could run up a $13bn deficit on goods and services by 1983.

The cause of the dollar's strength, of course, is the tight monetary policy being pursued by the Federal Reserve Board, which has pushed U.S. interest rates up to record levels and set off a surge of speculative buying of the dollar. The appeal of President Reagan's dramatic economic programme has also played a role.

Although the Fed is aware of the impact of its policy on U.S. competitiveness and has expressed some concern, the balance of trade is only a small consideration in the Fed's deliberations compared to the mighty task of beating inflation, its main goal. It is unlikely to ease up just because some exporting industries are having a tougher time selling abroad. Indeed, a strong currency can help reduce inflation, as Britain has found.

If anxiety about these developments takes hold, it is more likely to be in the Commerce Department, or even the White House where nerves are more sensitive to unemployment, declining company profits and bankruptcies.

Exports are now equivalent to about 10 per cent of U.S. GNP, which is about double the figure of 10 years ago. This reflects the tremendous growth of U.S. foreign trade in the last few years—more than 50 per cent in value since 1978. This means that a slowdown in exports is more likely to make an impact today—particularly at a time when U.S. GNP growth is wavering and the domestic outlook remains uncertain.

According to Mr Stephen Cohen, an analyst at Bache, the Wall Street broking firm, who has studied the impact of the dollar's appreciation on U.S. exports, the products most likely to be adversely affected are U.S. capital goods sales to Europe. This is America's biggest market, involving chemicals, machinery, computers, broadcasting and telecommunications equipment, power generating equipment and scientific and measuring instruments. Consumer goods will be less affected because this is not where the main strengths of the U.S. lie.

Mr Cohen also doubts that primary products, which are the other strong component of U.S. exports, will suffer because commodities are less prone to price changes than capital goods. There are fewer alternative suppliers for items like soya beans, wheat, coal, and cotton.

The competitiveness of the U.S. across the Atlantic is particularly vulnerable if the European economies do not recover in the second half of this year. However, the general view in the U.S. is that demand will pick up there soon, if it has not already.

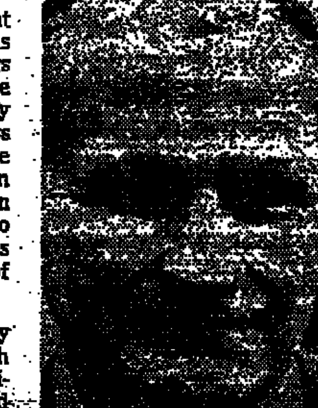
The National Foreign Trade Council, which represents exporters and tends to take a more positive view of the outlook, predicts that U.S. exports for the year as a whole will rise about 8 per cent to $242m, with coal, chemicals, military equipment and capital goods (mainly oilfield and excavating equipment, and computers) and certain agricultural commodities leading the way. But this rise will still be below the 21.4 per cent registered last year.

Although instances of U.S. exporters in trouble because of a strong dollar are rare, a number of big companies have begun to note the impact on their sales and profits. When Woolworth's, the large retailer, recently reported a $14m operating deficit for the second quarter, it specifically said that this was due to the problems of its foreign subsidiaries who have to buy from the U.S.

Caterpillar Tractor, the fifth largest U.S. exporter, with foreign sales of $3.1bn, said that foreign earnings in the second quarter of this year had been offset by "reductions in some U.S. dollar prices to remain competitive with companies doing business in local currencies which have weakened against the dollar."

Du Pont, the chemicals giant which exported $2.2bn of goods last year, saw foreign earnings drop almost by half in the second quarter to $42m, partly because of economic weakness abroad but also because of the strengthening dollar. Eastman Kodak, which sells more than $1bn abroad each year, also reported a weakening of sales growth because of the effect of foreign exchange movements.

With the Fed apparently determined to stick to its tough monetary policy as long as politically feasible, the upward pressure on the dollar from that quarter is unlikely to ease. The exporters' main hope for relief is that the growing U.S. trade deficit will reduce demand for the dollar on the foreign exchange markets and bring it down closer to its level at the beginning of this year.



Mr Baldrige . . . rough trade climate ahead

Now you see it, now you don't: Giles Waterfield, director of Dulwich Gallery, and the stolen Rembrandt.

Roger Taylor

Mystery still surrounds third theft of Dulwich Rembrandt

Michael Thompson-Noel reports on the growing risks galleries face

IT IS ELEVEN DAYS since Rembrandt's portrait of Jacob de Gheyn III, valued at £1m, was stolen from Dulwich College Picture Gallery in south-east London—and neither the police nor the gallery is any wiser as to the motive for the portrait's third "walk-about" since 1966.

"It could have been stolen for one of 100 reasons," says East Dulwich CID. "Was it stolen for ransom, or are we dealing with a nutcase? The permutations are almost endless."

This is the third time the painting has been stolen, leading cynics in the art world to maintain that it knows its own way home. Others are not so sure.

The police have traced 24 of the 26 people who visited the gallery on August 14 and are now "urgently seeking" the remaining two: a black male, late 30s, 6 ft tall, and of proportionate build; and his possible accomplice, a white male, middle 20s, 5½ ft tall, slim, fair-complexioned, with short parted hair and two crossed front teeth.

It is thought that the black man smuggled the Rembrandt out under his sweater, which was knotted around his neck, while his accomplice distracted the receptionist's attention.

The portrait measures 11½ ins by 9¾ ins. It is an early Rembrandt, painted in 1632, and has been on display at Dulwich since 1810. It shows the head and shoulders of a young man wearing a dark cape and a white ruff.

Mr John Sheeran, keeper of the gallery, stresses that while the painting is valuable, it is also vulnerable. "It is in oil on wood, and thus more at risk than if it was oil on canvas. We are greatly concerned, particularly about temperature." The painting was kept in an air-conditioned room and could easily deteriorate.

Mr Sheeran says the portrait is one of 650 works belonging to the college, of which 300 are on display. The remainder are kept in store.

The collection is not insured, though security at the main gallery has been improved since 1966, when on New Year's Eve, the same painting, plus seven others, including two other Rembrandts and three works by Rubens, were stolen in a £1.5m haul.

The portrait's second adventure came in 1973. The thief, who was caught with it under his raincoat, told police he only wished to copy it.

Mr Giles Waterfield, the gallery's director, said at the weekend: "When I arrived here two years ago, there wasn't any night security, though an alarm system has now been installed. On my arrival, I checked with the local police, and they thought our security to be adequate. So did other experts. We have spent quite heavily on alarms, though of course we rely a great deal on our attendants."

However, no alarms have been installed at Dulwich to protect picture frames or walls.

Security is a growing headache for any gallery owner, and the Dulwich theft dramatises the concern of the art world generally.

Mr Michael Kay, artistic director of the Greater London Council, which administers three major collections, says the GLC's security had been tightened up following the theft of The Guitar Player by Vermeer, seven years ago from Kenwood House, London.

"Our works are fully insured, and the valuations kept fully up to date. But a determined burglar will use any means available."

Miss Griselda Hamilton-Baillie of London's Royal Academy, says galleries have to consider two types of insurance. "There is the insurance of works of art loaned for exhibitions, where security, plus insurance, costs as much as transport and design; and there is the very great problem of insuring our own works of art."

In the case of privately controlled collections like that at Dulwich, insurance may be unwise if it leaves vulnerable institutions open to the risk of blackmail.

In 1966, when Dulwich suffered what was then the world's biggest art raid, the thieves, discovering that the collection was not insured, and that there was no insurance reward against which to barter, sought instead to blackmail the arts establishment.

They demanded £100,000, failing which they threatened to destroy the eight paintings. Three days later Scotland Yard raided a flat in Southwark in south London and discovered two of the Rembrandts, and one of the Rubens.

The following day, after a second tip off, the police visited Streatham Common where the remaining five pictures were found, virtually unscathed.

In the case of the latest theft at Dulwich, blackmail is just one of numerous possible motives.

Det.-Sgt. David Sibley, of East Dulwich CID, says the thieves might demand a ransom, or that the police might be dealing with a "nut-case."

"At present, we think the thief is not an opportunist—someone who happened to be passing and took a fancy to the Rembrandt.

Was it stolen to commission, by some demented art-lover? According to Mr Sheeran: "It sounds a bit far-fetched but I suppose it might be possible."

Author Keith Middlemas has studied the tide of art thefts. In his book, The Double Market, he says the existence of crazed oil sheiks, gazing on walls covered with stolen tapestries, or of mad millionaires operating from bomb-proofed cellars in Brazil, could be neither proved nor disproved.

Yet the commissioned theft of works of art undoubtedly takes place. "The characteristic art theft group today," writes Mr Middlemas, "depends not so much on a family as on a single man."

Such a man would possess connections in the underworld, access to thieves, plus public esteem as a reputable art buyer. He would have a private register of clients, considerable expertise, large reserves of cash, and well-organised transport and storage facilities.

Finally, he would be protected by in impenetrable facade as a straight businessman; have full knowledge of the laws of receiving and possession and access to top legal advice.

Beyond the ranks of the professionals, says Mr Middlemas, lay "the amateur, the magpie, and the psychopath."

There were those who stole for a bet, and those who stole to publicise political or social ends. Goya's Duke of Wellington was stolen from London's National Gallery in 1961 by an unemployed North Country lorry driver who demanded a £140,000 ransom. The purpose, he claimed later, was to buy television licences for old-age pensioners.

On the other hand, it is relatively rare for stolen works of art to be destroyed.

Eleven days later, Dulwich College Picture Gallery is fervently hoping that its wandering Rembrandt will end its latest walkabout.

The Double Market: Art Theft and Art Thieves, Keith Middlemas, Saxon House.

AV-8B brings more than £1bn worth of aerospace work

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WORK worth more than £1bn will accrue to the UK aerospace industry over the next few years following the signing of the agreement between the UK and the U.S. for joint development, production and support of the advanced AV-8B Harrier jump-jet fighter for the RAF and U.S. Marine Corps.

The Memorandum of Understanding, as exclusively stated in the Financial Times last week, was signed in Washington in July and deposited in Congress for the statutory period of 30 days.

This expired yesterday. With no objections being lodged, the agreement is now firm and binding and work is to go ahead.

The deal covers up to 60 aircraft initially for the RAF, and 342 for the U.S. Marine Corps.

British Aerospace will make up to 40 per cent of the parts for all these aircraft, with McDonnell Douglas of the U.S. making the other 60 per cent.

Parts will be shipped to McDonnell Douglas for assembly for the Marine Corps aircraft, but British Aerospace will assemble all the aircraft for the RAF in the UK.

On the Pegasus engines for the aircraft, Rolls-Royce will undertake 75 per cent of the value of the work on the U.S. aircraft and Pratt and Whitney of the U.S. the other 25 per cent. Over 500 Pegasus engines will be needed—worth $1.5bn (£810m).

A significant feature of the agreement is that for export sales, 75 per cent of the final assembly work will be done by McDonnell Douglas and 25 per cent by British Aerospace.

The parts to be manufactured by British Aerospace incude the rear and centre fuselage, the centre-line pylon and the fin and rudder, together with all the systems for these parts of the aircraft.

The first RAF aircraft is expected to fly in early 1984, with deliveries starting in mid-1986. Work on the aircraft for the Marine Corps has already begun, under a separate commercial agreement between BAe and McDonnell Douglas, now confirmed by the inter-governmental agreement.

A prototype AV-8B has been flying for some time, and in the most recent U.S. defence budget more than $800m was allocated for continued development and production work on the aircraft, including 12 more flying prototypes for development and testing work. First deliveries to the Marine Corps take place in 1983.

In the RAF, the new AV-8B Harrier will be called the GR Mark 5. It will feature such improvements as a bigger weapons payload, greater lift capabilities and improved engine performance, and an enhanced weapons delivery capability.

The Anglo-U.S. agreement follows a long period of collaboration between the two countries in vertical take-off fighter development, reaching back to the P-1127 Kestrel in the early 1960s.

Government urged to back solar industry

By Martin Dickson, Energy Correspondent

A CALL for a more positive government attitude to the solar energy industry was made yesterday by Professor David Hall, chairman of the Solar World Forum congress.

Professor Hall of King's College, London, said at the start of the conference in Brighton that the UK was the "odd man out" among developed countries in having no tax or other incentives for the installation of solar systems.

"British industry has the technical competence for both local sales and exports. What is needed is a positive political and economic commitment from the Government to reinforce our expertise—as happens in all other industrial countries."

The congress, being held in conjunction with a large solar energy exhibition, has attracted more than 1,600 participants from 76 countries.

Professor Hall said that expenditure on solar energy systems around the world totalled more than $4bn (£2.19bn) a year. Solar energy was no longer just talk but big money. He said that the world solar community did not see solar power as the panacea for the world's energy problems but it would have a substantial role to play and solar energy already supplied 15 per cent of the world's energy, primarily in the form of biomass used in the developing world.

He said that the British solar industry last year produced about 45,000 square metres of solar collectors whose value, combined with photo voltaic solar cells and invisible exports, totalled about £25m.

Dr Anthony Challis, chief scientist at the Department of Eenergy, told delegates that solar heating in the UK had the long-term potential to save 10m tonnes of coal equivalent a year—worth about £1bn at present prices. In the shorter term, solar water heating systems could become effective for 2m to 5m houses if progress was maintained.

He said that the Government was keen to discuss possible co-operation with UK companies in solar research and development.

Tampons 'not dangerous'

BY LISA WOOD

MRS SALLY OPPENHEIM, Minister for Consumer Affairs, said yesterday that no health reasons have been established for restricting the sale of internal sanitary tampons in the United Kingdom.

Mrs Oppenheim had asked the Department of Health and Social Security to advise on the safety of tampons sold in Britain because of reports from the U.S. about a disease called "toxic shock syndrome" (TSS), connected with the use of sanitary tampons.

Independent advisory committees in Britain found there had been fewer cases of TSS reported here than in the U.S. and they did not display all the same symptoms.

The committees recommended that in future the new tampons and other similar products should be examined by government experts before being put on the market and additional information, particularly advice on hygiene, should be included in the instructions on tampon packets.

Hotel prices slow down

BY ARTHUR SANDLES

LONDON'S HOTEL prices in the last year have risen on average more slowly than the cost of living—6.44 per cent according to the latest survey by the hotels bookings group Exp-o-tel.

Provincial British hotels in the same period showed an average price increase of 17.2

The Exp-o-tel UK tariff guide looks at 750 hotels, of which 150 are in London. While 99 of the capital's listed hotels have increased prices (by an average 11.9 per cent), 16 maintained 1980 prices this year and nearly 30 lowered them.

At least 70 properties in the survey offer single room rates under £30 a night and many of these include breakfast, VAT and service.

The most expensive hotel in London is the Inn on the Park, where the single room rate is £82.80, not including breakfast. After that come the Carlton Tower, the Churchill and the Intercontinental.

Hotels which lowered prices this year include the Curzon, the Royal Garden and the Royal Lancaster.

Tax wives separately, say accountants

BY ELAINE WILLIAMS

A CALL to replace the present system of taxing husbands and wives has been made by the Consultative Committee of Accountancy Bodies.

In a memorandum to the Inland Revenue, the committee suggests that a mandatory independent system be introduced so that each spouse is treated as a separate individual with fully transferable allowances between husband and wife.

The committee suggests that the new system should be introduced over a transitional period in which allowances would be only partially transferable between spouses.

The accountants' body does admit that the proposals could have an adverse effect on certain groups, particularly working couples.

At present husbands and wives are taxed jointly unless the wife opts to be independently taxed.

The committee's proposal is made in response to an Inland Revenue Green Paper "The Taxation of Husband and Wife."

The Green Paper outlined proposals for treating the wife as an individual in her own right for tax purposes in line with current social trends.

In their other detailed comments, the accountants do not support proposals on joint liability or independent taxation on an optional basis.

Computer staff shortage may worsen

BY ELAINE WILLIAMS

THE SHORTAGE of skilled computer personnel is likely to worsen, in spite of the recession, according to a Manpower Services Commission report.

Because of the shortage, the commission is to continue to support computer training through its Grants for Employers scheme for the third year.

The commission has funds to support up to 2,025 training places for employers prepared to sponsor their staff on computer courses.

The grants range from £60 to £80 per week depending on the course chosen, and the commission estimates that they can cover about 30 per cent of an employer's training costs.

Many of the courses may attract grants support even if they are provided in an employer's own training centre. However, they will be available only if the sponsored trainees are additional to an employer's annual training throughput.

In spite of the shortage of computer staff, which ranges from computer operators and programmers to systems analysts, companies have been cutting down on training because of the recession. Because of this the Government has stipulated that support grants will be given only if training is extra to normal needs.

Private pension schemes face tough state action

BY ERIC SHORT

THE GOVERNMENT can be expected to take a tough line on the terms for occupational pension schemes continuing to contract-out of the state scheme, says Martin Patterson Associates, a leading firm of pension consultants.

When the new state scheme was established in April 1978, occupational pension schemes were able to contract-out of the earnings related portion and provide this pension through a company scheme. The joint employee/employer National Insurance contribution was reduced by 7 per cent. In addition, companies could buy back into the state scheme on set terms.

The terms for contracting-out are reviewed every five years and at the beginning of the month, Mr Edward Johnston, the Government Actuary, published a memorandum on the new terms.

While this was intended to be a discussion document and did not set out the final revised terms—which are decided by the Secretary of State for Social Services—its theme was that the original terms had proved to be generous to company pension schemes.

The memorandum argued that the contribution reduction be cut to 6 per cent and that the cost of buying back into the state scheme be increased by 17½ per cent.

The established pensions industry was initially extremely disappointed with the proposals. The National Association of Pension Funds summed up the mood when it said that there would be hard negotiating ahead to get a substantial relaxation in the terms.

But Martin Patterson Associates feels that the most that can be expected from the Government is that it soften the cut in the contribution reduction to 6½ per cent. The company cannot see any relaxation in the new buy-back terms which would come into effect from April, 1983.

Thus, the company feels, employers should re-examine their financial commitment to contracting-out and the alternative of going into the state scheme.

Benn steps up campaign for union support

BY ELINOR GOODMAN

MR TONY BENN yesterday directly appealed for the votes of the trade unions in his bid to become the Labour Party's deputy leader.

In a letter to the general secretaries of the 52 unions affiliated to the party, he called for a new framework to enable the unions to play a bigger role at every level of the economy.

He also called for a law to re-establish "the full legal rights of unions," and again renounced all forms of incomes policy—including that implemented by the last Labour Government.

The unions have the largest share of the votes in Labour's electoral college. In the run up to next month's TUC conference all three of the candidates in the deputy leadership contest will be stepping up their efforts to capture the few remaining uncommitted unions.

So far, Mr Denis Healey, the deputy leader, is ahead in the union section. But with the result very much in the balance it looks increasingly as if it will be the 1.25m votes of the Transport and General Workers' Union which will decide the day.

Mr Benn said in his letter that a "much stronger partnership" between the unions and the party should be established.

"From now on—and right through the lifetime of the next Labour Government—we must work closely together in developing detailed plans, campaigning for them and implementing them when in office."

A new framework was necessary to allow members of unions to play "a much bigger role at every level from the workshop and the company right up to annual party conference, in addition to the top level links with ministers."

Mr Benn insisted that Labour must renounce "the policies of cuts and wage restraint masquerading as 'incomes policy' introduced under the pressure of capital, and which helped to put the Tories in power."

Mr Healey will soon issue an appeal aimed at gaining votes in the constituency section of the electoral college where Mr Benn is doing far better than either of the other candidates.

The supporters of the third candidate, Mr John Silkin, are working on a strategy that they believe might result in Mr Silkin preventing Mr Benn getting into the final round.

Mr Silkin is fairly confident of getting the votes of the TGWU in the first round. His supporters are trying to persuade the General and Municipal Workers' Union to vote for Mr Silkin in the first round, instead of Mr Healey.

BP workers threaten to impose changes at plant

BY NICK GARNETT, LABOUR STAFF

MANAGEMENT at BP's Grangemouth refinery in Scotland has been warned by the Transport and General Workers' Union that the union will unilaterally alter the plant's operating arrangements from next Tuesday unless the company renegotiates the current agreement.

Refinery workers have also decided to begin an overtime ban and policy of non-co-operation on manning reductions from the same day if BP does not renegotiate the 18-month pay deal which the union agreed last autumn.

Management has also been told that if any workers are disciplined for not working to the current agreement, the refinery will be shut down by industrial action. Grangemouth takes all the oil from BP's Forties Field and at the moment it handles more crude oil than any other BP refinery. Scotland is heavily dependent on Grangemouth for its petroleum and other oil products.

Management and union officials are meeting officials of the Advisory, Conciliation and Arbitration Service tomorrow to try to resolve the dispute.

The union has been seeking a new operating agreement, but the spark for the dispute is pay.

Last year's 18-month deal gave 11 per cent last September, 6 per cent in March and 3 per cent this September, all compounded. The deal was to last until March next year.

Mr Neil Boner, senior TGWU steward at Grangemouth, said yesterday that the workforce had accepted the deal partly because the company had informed the union that it could not afford increases of more than 12.5 per cent over 12 months.

The company, however, had given white-collar staff 14 per cent, together with later merit money and regrading rises. Tanker drivers nationally and workers in refineries operated by other companies had also secured deals worth 14 per cent or more over 12 months. Further productivity payments were being made on top of this.

The union also claimed that BP's cash flow position was now healthier because of the withdrawal of the company's £1m a week subsidies to filling stations, recent price increases and reduced overheads. "The workforce has been conned," Mr Boner said.

The company has been insisting that there is no more money available until March next year, the date when the present pay agreement expires.

It said yesterday that management had been discussing with the union the union's desire to terminate the agreement. Those discussions were continuing this week, it said.

● BP has reaffirmed to shop stewards that the closure of the Isle of Grain refinery in Kent is inevitable and the decision to close it cannot be reversed.

It has agreed not to issue individual redundancy notices until the company has had further discussions to assure the workforce that all avenues for continued employment on the site have been examined.

Tartan field gas problem may cost Texaco £15m

BY RAY DAFTER, ENERGY EDITOR

TEXACO is to spend about £15m on removing hydrogen sulphide—which produces a smell like rotten eggs—from gas produced from its North Sea Tartan Field.

The U.S.-based oil group unexpectedly found that hydrogen sulphide was contaminating natural gas in its newly-exploited field, 120 miles north-east of Aberdeen. As a result, the company has received Government approval to burn and waste all the gas produced, along with Tartan crude oil, until processing equipment has been installed.

Texaco said that construction of processing equipment would soon begin on the Tartan production platform. Treatment facilities should be operating by the end of next year.

The contract for the design of the processing plant has been placed with Davy McKee.

Industry analysts reckon that thet cost of the treatment plant could be about £15m in addition to more than £250m spent developing the field.

The natural gas, which should now be running ashore to British Gas Corporation's network via the Frigg pipeline network, is being flared into the atmosphere. Texaco said that the amount being wasted was very small in relation to the UK's needs.

The discovery of the corrosive, poisonous hydrogen sulphide is the second major setback in the Tartan development programme. The first two production wells drilled by Texaco were unexpectedly dry.

There is now doubt within the oil industry about whether production from the field will build up as quickly as planned.

Tartan came on stream in January. Since then, only two wells have been brought on stream. In July the field yielded oil at an average rate of 12,732 barrels a day.

Output is expected to rise sharply during the remainder of the year as at least a further three wells are brought on stream. However, within the industry it is thought unlikely that Texaco will reach its target of more than 80,000 b/d next year.

H-block MP sends telegram to Thatcher

By Our Lobby Correspondent

THE PRIME MINISTER'S advisors were last night considering a telegram from Mr Owen Carron, the newly elected MP for Fermanagh and South Tyrone, requesting an urgent meeting with Mrs Thatcher.

Downing Street will reply formally within the next few days. But, if Mr Carron insists on using the meeting to discuss the five demands of the hunger strikers, it seems unlikely that the Prime Minister will agree to see him.

His telegram was brief and did not make it clear whether he intended using the meeting to this end. Instead, he asked for an "urgent meeting" to discuss the "critical situation in the H-block."

On Sunday Mr Carron said the purpose of a meeting would he to discuss the hunger strikes

Downing Street's attitude is that the Prime Minister will meet Mr Carron only if he is prepared to talk more generally.

Prison governor suggests boards to monitor police

BY LISA WOOD

INDEPENDENT boards should be set up throughout Britain to monitor policing in their area, a prison governor recommended in written evidence to the Scarman Inquiry.

Mr Peter Timms, governor of Maidstone Prison, wrote: "The establishment of confidence within the community towards the police service and an equal confidence within the police about their value to the community can, and must, be achieved."

He proposed boards similar to the prison boards of visitors. They would be set up in each police district, area or division

Community organisations or individuals could recommend people for appointment but the local police commander would have vetting powers.

Members would be unpaid and meet at least once a month in their main police station with the senior station officer present. They would be the "independent ears, eyes and informal voice of the community with the police service," said Mr Timms.

The boards, he said, "would concern themselves to find out how policing was being done and draw to the attention of the police commander any matters they observered or were brought to their attention during their routine visits (to the stations)."

While they would present an annual report to the Home Secretary and receive complaints from the public, the boards would not be able to investigate them, Mr Timms recommended.

In Manchester an independent inquiry into the riots at Moss Side were told yesterday that the disturbances resulted from a well-organised invasion of the area by outsiders.

Jamaican-born Mr William Fredericks, who has lived in the area for 38 years, said events had deeply saddened Moss Side people. "What happened here was like losing a loved one to us," he said.

He told Mr Benet Hytner QC, the inquiry's chairman, that he thought parental control had broken down. He said :: 'If you try to strap your children they tel lyou that they will go to the police."

FitzGerald reviews Ulster policy

By Stewart Dalby

DR GARRET FITZGERALD, the Irish Prime Minister, has called together top ministers and officials for a policy review on Northern Ireland.

A Government spokesman in Dublin said yesterday that the meeting was arranged some time ago, and it is the first oportunity that the Prime Minister has had for a lengthy meeting with officials like Dr Eamon Kennedy, the Irish Ambassador to London.

It seems more than likely, however, that the group, which also includes Mr Michael O'Leary, the Deputy Prime Minister, and Senator James Dooge, the Foreign Minister designate, will actively consider whether to meet Mr Owen Carron, the newly-elected MP for Fermanagh and South Tyrone.

Mr Carron, who stood as a representative of the H-Block hunger strikers has asked for meetings with both Mrs Margaret Thatcher and Dr Fitzgerald.

Dr Fitzgerald will also be considering whether the time is opportune for his own first meeting with Mrs Thatcher. A meeting was mooted for July, but this failed to materialise partly because of Dr Fitzgerald's annoyance at what he regarded as British Government inflexibility over the hunger strike crisis.

Dr Fitzgerald is known to believe that a solution is possible in the form of improvements in the prison regime, and that there is no need to grant political status, as the Government claims the strikers are demanding.

The Irish Prime Minister has let it be known that the failure to end the protest is having a destabilising effect on his shaky coalition government.

Gilded gifts to decorate the Abbey

THE Royal Institution of Chartered Surveyors has presented Westminster Abbey with 16 gilded weathervanes for the turrets of Henry VII's chapel.

The gift commemorates the centenary of the grant of the institution's first Royal Charter by Queen Victoria in 1881.

It is also intended at a token of the long association between the Abbey and the institution, whose headquarters are in Parliament Square.

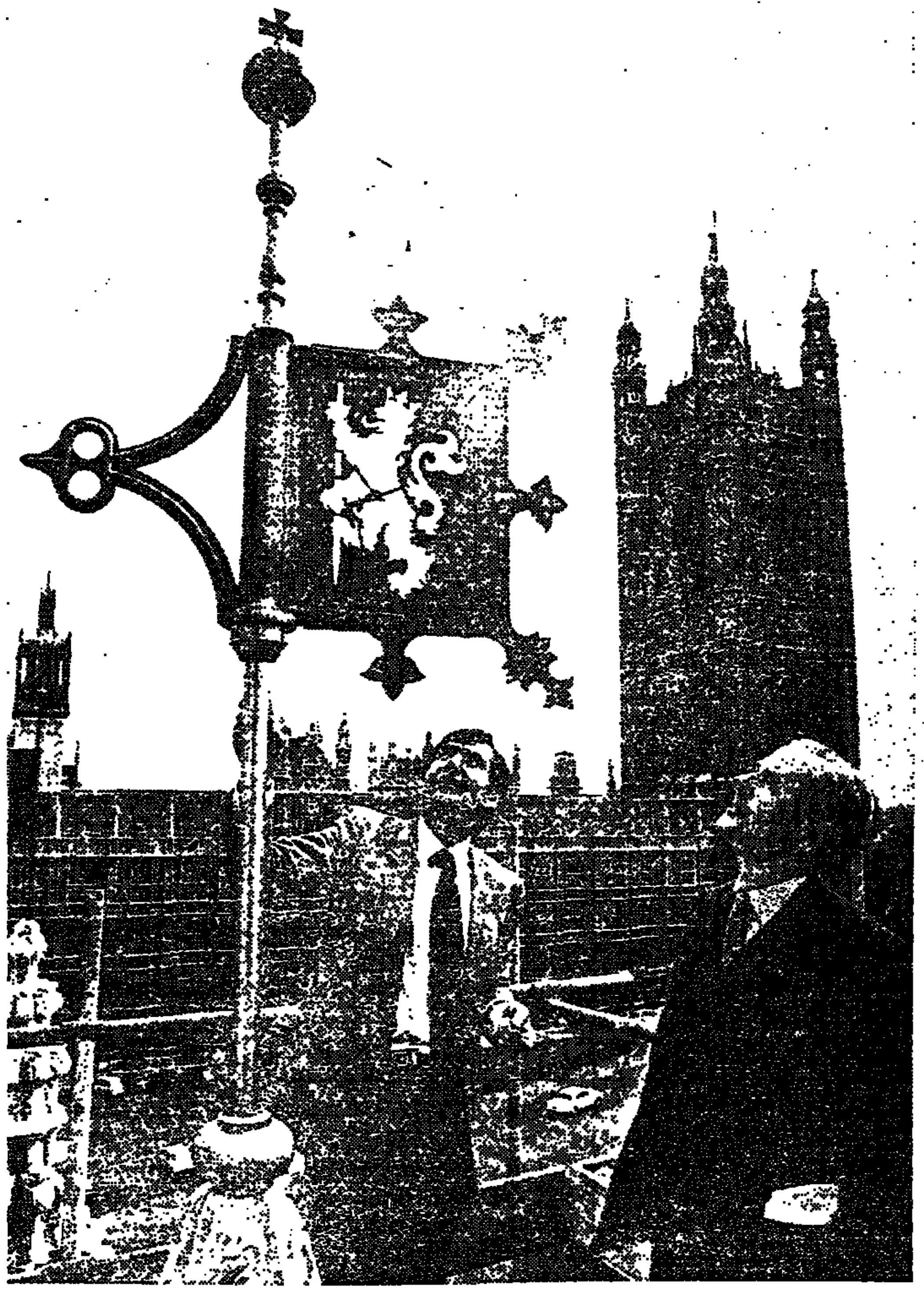
The dean and chapter and the surveyor of fabric of Westminster Abbey have expressed delight at the gift, which enables them to reinstate the weathervanes, evident in old prints, which once capped the turrets of the chapel. The new weathervanes will also compliment those decorating the Palace of Westminster.

Fourteen of the 16 weathervanes will each cost an estimated £2,000. The other two, to be placed on the stair turrets, will cost about £3,000.

The weathervanes will continue almost 1,000 years of Westminster history since the first one, depicted in the Bayeaux Tapestry, surmounted the central tower of the Confessor's Abbey.

The design of the weathervanes is based on Tudor precedents. Two of them, which stand 7 ft high, will incorporate the Heraldic Lion of the Royal Institution of Chartered Surveyors. Twelve will hear the Queen's Beasts and 11 are designed to catch the sun as they swivel in the wind.

Mr Gerald Singer (left), of Singer and James, and Mr Peter Foster, surveyor of fabric of Westminster Abbey, supervise the installation of one of the weathervanes.



Hugh Routledge

Photo processors pray for sunshine—and trade

Elaine Williams describes a tough High Street price war

DURING the holidays, photographic film processors pray for sunshine — for it is good weather, as well as the economic climate, which will determine the state of business.

Many companies keep "hours of sunshine" charts because most amateur photographers still tend to wait for clear skies in spite of the proliferation of relatively cheap, sophisticated cameras easy to use in all weathers.

Processors have even more reason to be anxious this year. The signs are that the growth in film processing is slowing to an annual 5 to 10 per cent this year, compared with more than 20 per cent during the mid-1970s.

The result has been a cut-price war by High Street shops and mail order companies and new ideas to promote business such as "on the spot" processing and cheap enlargements made possible by advances in automating film printing and developing.

Developing and printing films is a big part of the photographic industry's business. Amateur photographers spent £210m out of a total expenditure of £430m last year on processing.

There are an estimated 15m-20m camera owners in Britain. They each take about 100 photographs a year. The average price of an overnight service offered by shops is £3.20 for 24 colour prints. Some mail order companies offer prices as low as 10p per print—cheaper than 20 years ago.

Conventional still photography may come under increasing presure from new technology—such as that announced yesterday by Sony of a magnetic camera entirely eliminating the need for the processing of films.

But the independent processors are worried that the large multinationals, Kodak and 3M are tightening their grip on the market.

Although statistics are difficult to obtain, it is estimated that Kodak alone may have more than 60 per cent of the photographic market, carrying out about 25 per cent of all processing.

The processing market is split almost equally between mail order and the High Street—both of which are dominated by multinationals.

Mail order companies operate behind many different names. The three largest mail order processors appear to be subsidiaries of 3M, Dixon Photographic and William Whittingham.

This year, 3M entered mail order when it acquired Gratispool, one of the pioneers of the business which claims to have about 40 per cent of this market.

Three years ago, Gratispool decided to move into the High Street with a chain of its Super-Snaps shops. Mr Paul Malton, managing director, says that within the next year it will have more than 300 shops in the UK.

Gratispool competes with chemists, specialist camera dealers, rival processors and even garages. Ultimately, most of the processors in this market turn out to be Kodak, NAP Colour, owned by merchant bankers Charterhouse, and Dixon Photographic.

The large independent processors include Tudor Photographic which has more than 2,000 dealer outlets and Grunwick, better known for its picketing problems.

There are also a number of very small processors who may serve perhaps up to 12 shops locally. A more recent trend has been the growth of same day processing such as Foto-Fast operating from small shops in London underground stations.

Some shops have been set up to do this processing on the premises, instead of using a fleet of vans to transport films to the processors.

This has been made possible by the development of automated processing systems and the design of a "mini-lab" which can be fitted into a relatively small area.

For the first time, customers can see what happens to their films.

Dixon Photographic recently opened the first of its photo shops in London at a cost of £250,000. A second is to be opened in Birmingham in October. More are likely in other major cities.

Next month Gratispool opens its first mini-labs in Croydon—the machinery has cost £80,000. Mr Malton is cautious about the venture.

In the U.S more than half the shops offering on the premises developing have failed because they need to be in areas such as tourist spots which have a high turnover of films.

Today's photographic film processing labs bear little resemblence to the traditional darkrooms used by the amateur. They are computer controlled with finished prints coming out of the production line in a large roll several hundred feet long. Some machines can print 11,000 prints an hour.

Each roll of exposed film is given an identification number

The atuomation of the process also allows companies to offer fairly cheap enlargements and a popular promotion is turning a favourite snap into a poster. Aided by the increasing speed and sophistication in processing, companies hope they can keep the amateurs snapping.

Wandsworth acts to stop street cleaning ban

By John Lloyd

A TRADE UNION'S threat to "black" contractors tendering for a contract to clean the streets in Wandsworth has been referred to the Director of Public Prosecutions by the Federation of Civil Engineering Contractors.

The federation may seek to use the case as an argument for tougher laws on secondary action by unions.

Wandsworth Council has invited tenders for the street cleaning contract, worth about £1m a year, at the same time as it is discussing a new productivity deal with representatives of its 100 street cleaners.

The action by the Wandsworth branch of the National and Local Government Officers Association has been ratified by Nalgo's London Metropolitan Council, but has yet to be considered by its national executive.

Refuse service

Mr Roger Merry-Price, the chairman of the council's establishment committee, said that earlier this year the council considered privatising the refuse colection service, but had subsequently come to a new agreement on improved productivity with the refuse collectors. It still hoped to do the same with the street cleaners.

The major unions representing the street cleaners—the National Union of Public Employees and the General and Municipal Workers Union—are continuing talks with the council on a new deal. However, Ms Elizabeth Johnson, the secretary of Wandsworth's Nalgo branch, said the Nalgo action had been taken with the full agreement of the manual unions.

Ms Johnson said that the action was "perfectly legal," and was taken because the union objected to the council's tactic of negotiating with the unions under the threat of privatisation.

Redundancies

Mr Merry-Price said that it had been made clear to the unions that no compulsory redundancies would ensue from privatisation of street cleaning.

The contractors' federation said yesterday that it had evidence of at least one contractor who was deterred from tendering for the contract by the threat of action by Nalgo. The union has placed advertisements in civil engineering journals, warning possible bidders of a "national blacking."

The federation said that if the Director of Public Prosecutions concluded that the blacking threat was not actionable, it would seek to use the case to put further pressure on Mr James Prior, the Employment Secretary, to impose tougher restrictions on such threats in forthcoming employment legislation.

Yard workers get £98 bonus

NEARLY 15,000 shipyard workers at Barrow-in-Furness are to get their second big bonus pay-out within two months. When they collect their pay on Thursday they will get an extra £98 which follows an end-of-year bonus of £222 in July.

For the first time, first-year apprentices will also get the bonus. The cash comes under the Vickers yard's value added productivity scheme which relates to financial performance.

Boycott of training schemes possible

THE TUC will withdraw its co-operation across the range of training schemes in industry if the Government replaces statutory training boards with voluntary schemes.

It has been angered by a request from the Department of Employment to employers to submit ideas on voluntary schemes by the end of September—pre-empting, as it sees it, a review by the Manpower Services Commission of future training needs.

Last month the Commission told the Government that it favoured the retention of statutory boards in the major industrial sectors covering about 7m workers, in spite of the Government's declared preference for voluntary schemes. A further 17 statutory boards covering about 5m workers are still being examined by the Commission—in which the TUC plays a major role.

The issue will attract fierce debate at the TUC conference next month, with a number of unions expressing opposition to the cut back in training provisions and the replacement of the statutory system with a voluntary one.

Mr Ken Graham, the TUC's assistant secretary, yesterday warned the Government that job centres and training services were facing "death by a thousand cuts." He said that unless the Government adopted a more positive approach, the Commission's new training initiative, proposed last month, would be "a dead duck."

Speaking to a conference in London organised by the Civil and Public Servants Association, Mr Graham said that the Government seemed bent on the "wholesale abolition" of government training boards.

In its new training initiative, the Commission hs called for training and further education for all young people, a modernised apprenticeship system and better training opportunities for adults. Mr Graham said that if Britain failed to achieve these objectives, it would lag even further behind its competitor countries.

He said: "The Government says it supports the Commission's initiative but it has taken powers through the so-called Employment and Training Act to abolish Boards and override the Commission's recommendations. It also seeks to diminish the role of unions in training bodies.

"The Government appears to believe that Britain, unlike its major competitors, can have training arrangements geared to the 1980s and beyond without a substantial injection of resources from the Government and employers.

"Achievement of the Commission's objectives for modernising and expanding training will not be easy. But the "new training initiative" wil not get off the ground if the Government engages in the wholesale abolition of industrial training Boards, seeks to rely on resources being raised 'voluntarily' by employers and attempts to undermine the role of the unions."

Redundant staff offered old jobs

THE TOY manufacturer, Byron International, as Basford, Nottingham, is trying to re-employ 30 of the 59 workers it made redundant in June, after an export slump.

The company, a former Queen's Award winner for exports, is anticipating increased demand as a result of the introduction of its new "talking typewriter," which uses synthesised speech technology.

TGWU protests at dock closure plan

BY OUR LABOUR CORRESPONDENT

THE Transport and General Workers Union has protested to Mr John Nott, the Defence Secretary, over the proposed closure of Chatham Dockyard and the rundown of Portsmouth Dockyard.

The union claims that the implications of the defence review which proposed the closure will be a loss of between 70,000 and 100,000 civilian jobs.

The letter to Mr Nott, from Mr Mick Martin, TGWU national secretary for public services, is careful to discriminate between spending in nuclear arms and spending on conventional defences.

Mr Martin says that the main reason for the job cuts would be to "make room for the massive £6bn-£8bn due to be spent on the Trident nuclear programme."

He says that the Government should abandon the Trident programme and concentrate instead on conventional defence forces. The union's slogan in its campaign against the decisions is "Jobs Yes—Trident No!"

The campaign is in line with a decision by the TGWU at its conference earlier this year, and a decision by the Confederation of Shipbuilding and Engineering Unions at its annual conference.

Mr Martin says that about 70,000 private sector jobs in Plymouth depend on the dockyard, and that unemployment in the Chatham area is already threatened by closures at Metal Box and the BP oil terminal and the ending of work at the Isle of Grain power station.

Crosby container terminal reopens after dispute

BY OUR LABOUR STAFF

THE specialised container terminal in the £50m Royal Seaforth dock complex at Crosby on the Mersey re-opened yesterday to accept export cargoes after nearly a fortnight of disruption caused by a disput involving transport drivers.

The unofficial picket line had been lifted from the terminal entrance and a number of fully-loaded transporters passed through.

There were no container ships at the berths because six ships have been diverted during the dispute, but the Mersey Docks and Harbour Company is hoping for a speedy resumption of work.

The company had obtained an injunction against a full-time official of the Transport and General Workers Union and four members of the union's local transport branch committee. It will be heard in the Chancery Division of the High Court in Manchester tomorrow.

The dispute is over an unofficial "container stamp" issued to drivers of authorised haulage firms, which the pickets were checking at the terminal.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Why King Kong wore cowboy boots

Frank Lipsius reports on one of the fastest-growing operators in U.S. commercial radio

LONG ISLAND, New York, has just seen its first-ever rodeo. Taking an active part in the promotion of the event was WKHK, a New York radio station.

WKHK's publicity drive to gain new listeners has been extensive over the past few months, taking in a series of spectaculars designed to impress its personality on its massive potential audience. But they all pall in comparison with the way in which it first took to the air one morning almost a year ago.

While employees were being told at a hastily-called staff meeting that the station would be moving from jazz to country music at noon, a new music director, John Brejot, arrived by lorry with 1,200 tapes ferried from a sister-station in Washington. At the designated hour, Brejot introduced the new format on the air with the song "Are you ready for the country?"

Simple though this change-over might have appeared, it was the result of sophisticated market planning by Viacom International, the new owner of what was then WRVR, New York's only full-time commercial jazz station. Inside the station, the transition went smoothly. By 2 o'clock the slot's regular disc jockey was playing country music.

"The company knows it will take two or three years to make an impact on a market the size of New York," says Bill Figenshu, 30, Viacom Radio's vice-president—programming.

Viacom had bought WRVR and seven other radio stations across the States for \$35m, and intended to make its flagship operation in New York where it had its corporate headquarters. When Viacom first took over WRVR, it conducted an extensive marketing survey to test the viability of the 19-year-old jazz format. "We found," concluded Figenshu, "the station had climbed from nowhere to nowhere special in all that time.

"We also found that jazz is a leisure format. People do not listen to it when they get up in the morning and shave. You have to get into jazz."

The station had been marginally profitable, but only because it was being run with a skeleton staff, and without full news, sports and features coverage. The existing staff, including the broadcasters, were told they could stay and work with the new format if they wished to.

Figenshu himself started as a rock music disc jockey in Philadelphia. "I got started with country music when my job depended on it. It was change or leave. I changed and I wanted these people to have the same chance." He told them that professional announcers should be adaptable.

If the internal changeover went fairly smoothly, listener reaction was predictably hostile. Jazz has a fanatical—if not particularly profitable—following in New York, and the station's previous owners had been thwarted by an intense listener campaign when they had tried to change in 1976. They had been forced to sign an agreement with the listeners' amenity group never to change format.

John Brejot recalls "the phone lit up" almost as soon as the country sound went on the air. WKHK received a barrage of protests; the lives of Figenshu's family were threatened; pickets were organised outside the Viacom offices; and a series of protest marches, led by notable jazz musicians, started.

The change also brought a series of legal battles, based on the agreement with the listeners' amenity group and on Federal regulations protecting the rights of minority audiences. "We were sued every step of the way," says Figenshu, "for changing the station call letters and slogan and, of course, the format."

The last law suit was decided only at the end of March by the Supreme Court which decided, in line with more recent changes in the regulation of the industry, that market forces should be allowed to determine output. Only now could WKHK start to prove itself and promote itself heavily.

Having alienated New York jazz buffs, WKHK's task was to bring itself closer to its local audience. First, it earmarked more than 1m for new facilities, a new transmitter and better equipment, and is now in the process of moving into new premises in the heart of the entertainment area of Manhattan, the centre of its market.

That market has a very precise profile. It is in its 30s, married and earns between \$15,000 and \$40,000 a year.

The use of demographics and statistics on target audiences are vital to radio programming in the U.S. Some radio stations keep a permanent audience research staff, telephoning listeners and making spot surveys. Another New York station, for instance, had interviewers making 600 calls a week, each of six minutes, when it changed format. Each call included snatches of records to gauge listeners' reactions.

Bill Figenshu: his campaign to woo New York's radio audience to country music has included a suitably-attired Statue of Liberty (right)

WKHK has also worked particularly hard on developing its local personality. Experience in giving a country sound to sister stations in Washington and Houston had taught Figenshu the value of identifying the station with the local community. The disc jockeys, for example, had to be local. "We didn't want them having to learn how to spell Staten Island, let alone having to find apartments in this town."

The number of disc jockeys was more than doubled to nine and the features and news staff was increased. Coverage of local events had an important promotional value. Figenshu was insistent that they did not sound like hick cowboys, a policy he had pursued in Houston, Texas, where Viacom had won out against seven other country stations, whose disc jockeys sounded like they had "mud on their boots."

The remaking of WKHK's image is being backed by a slow-building \$1m promotional campaign. First New York was plastered with posters showing the Statue of Liberty in cowboy boots using the slogan "New York is putting its boots on." The next in the series of posters showed King Kong, the Empire State building and another pair of cowboy boots.

The billboard campaign is accompanied by television commercials and joint promotions such as one with British Caledonian Airways which offered two tickets for the Country Music Festival held at Wembley, in London, at Easter. Another featured a yacht in New York's Grand Central station, showing commuters that WKHK was tuned into the local boat show. WKHK also plays a prominent part in street festivals, providing station personalities and even live bands.

For such a high investment Viacom means WKHK's country music to stay around for a long time. The strong local emphasis is intended to mould the station into the fabric of New York society.

The WKHK product is designed to withstand change, picking on middle-of-the-road music with an audience whose tastes are unlikely to alter radically.

With annual profit increases of over 30 per cent in the past three years, and net earnings of almost \$16m last year on sales of \$160m, Viacom is showing as much commitment to its investment in radio as to other more fashionable parts of its armoury like cable and pay-TV.

One risk it faces, however, is that the adaptability of the radio medium may trigger such rapid changes in radio formats that it becomes difficult for stations to establish themselves and to produce consistent profits. That is why WKHK's personality is being grafted so carefully on to New York's. By the time WKHK's format has been fully launched over the next year, Viacom will not want to see it changed again in a hurry.

Tuning in to a fortune

THE day is not far off when a radio station in the U.S. will be sold for \$20m.

● An all-black station (WLTC-FM) in Indianapolis was sold recently for \$3m, after being bought as an all-classical outlet in 1968 for \$200,000.

● A Miami station bought for less than \$100,000 has just changed hands, eight years later, for \$8m.

● A San Francisco station with a cash-flow of \$1.5m sold recently for \$12m.

A former American radio station manager who now dabbles in station investing, Neil Rockoff, says that "nowadays it's not unusual to see franchises go for 15 times cash flow." Even a station losing money, he points out, might fetch as much as \$3m or \$4m.

One of the main explanations for this extraordinary state of affairs lies with radio's arch competitor, the world of television. While television attempts to secure the broadest possible audience appeal, radio has for some time reacted to the challenge by making its appeal more specific, guaranteeing advertisers audiences whose age group, spending bracket and interests are well-defined.

Of late, television has also made its own contribution to the popularity of radio as an advertising medium. As television advertising rates have soared, radio has become that much more economic. The average cost per 1,000 radio listeners is now \$1.60 a minute, a rise of 65 per cent since 1967. Television advertising costs \$2.47 per 1,000 per minute, a rise of 127 per cent in the same period.

According to Variety, the show business magazine, advertising revenue for the radio industry in 1980 was worth \$3.6bn. But the market is a highly unpredictable one, sensitive to fad and fashion.

The market is remarkably well served. America boasts one radio station for every 25,000 citizens, compared with roughly one for every 250,000 in the UK. Coast to coast, there are some 9,000 stations and New York and its suburbs are served by around 120 stations, more than 10 times the number there were in 1948.

Yet the new-found willingness to plough costly investment into the business shows no sign of abating. Quite the reverse.

Business courses

Practice of Management Principles, London. October 19-28. Fee: £600 (plus VAT). Details from The Coverdale Organisation, 3 Logan Place, London W8 6QN.

Boardroom Responsibilites, Warwick. October 21-23. Fee: £320 (plus VAT) members, £370 (plus VAT) non-members of the Institute of Directors. Details from Sir Richard Miller, Institute of Directors, 4th Floor, Lloyds House, 18 Lloyd Street, Manchester M2 5WA.

Fudamentals of Marketing, London. October 7. Fee: £80 (plus VAT) members, £90 (plus VAT) non-members of the Institution of Industrial Managers. Details from The Institution of Industrial Managers, Industrial Management House, Cardiff Road, Luton, Bedfordshire LU1 1RQ.

Management of Research, Uxbridge. September 28-October 9. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH.

Foreign Exchange and International Money Management, Zurich. September 23-25. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium.

Marketing Management, Slough. October 26-November 13. Fee: £870 (plus VAT). Details from Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berkshire SL1

Executive Recruitment, Worthing. October 26-27. Details from MSS Computer and Business Consultancy, MSS House, 54 Chapel Road, Worthing, West Sussex, BN11 1BE.

Sloan Fellowship Programme, London. September 28 1981-June 25 1982. Fee: £6,000. Details from Programme Director, London Business School, Sussex Place, Regent's Park, London NW1 4SA.

LOMBARD

High taxes may be good for you

BY RICHARD LAMBERT

"YES, our markets are being swamped with superior Japanese products. Sure, our employees are permanently on strike and receive their pay cheques direct from Moscow. But the real worry, old boy, is that our senior managers just don't care any more."

This kind of comment was as predictable as the port at boardroom lunch tables a year or two ago. It stemmed from the fact that the real net earnings of senior managers had fallen significantly in the first half of the 1970s as a result of inflation and high marginal tax rates.

Wisdom

The accepted wisdom was that a reduction in the differentials between the various grades of management had made it increasingly difficult to persuade people to take promotion or move around the country. Managers were less inclined to take risks, morale was terrible, and anyone who was lucky enough to work overseas would never dream of coming home.

Undoubtedly there were cases where highly talented managers were lost to their companies and the country, at least partly as a consequence of the UK's oppressive tax régime.

But what has never been clear until now is whether companies in general have been seriously inconvenienced by these financial pressures on their top people. The present Government's fiscal strategy takes it for granted that they have. A report published last week by the Institute for Fiscal Studies suggests some very different conclusions.

Produced by Guy Fiegehen in collaboration with the energetic Professor Reddaway, the report is based on a series of detailed interviews conducted in 1978 with senior directors of 94 manufacturing companies. Most of the companies involved were household names, and taken together they employed around a fifth of the workforce in British manufacturing industry.

The main finding is that changes in the income and tax levels of senior staff in the UK during the 1970s had very little impact on companies' ability to retain, recruit, or transfer the managers required to fill senior positions.

About one third of the companies (employing nearly half the senior staff covered by the enquiry) claimed that the motivation of their top people had been falling. But the reasons may not have been exclusively financial. Over half the companies which complained of falling morale had been involved in a major reorganisation or takeover within the previous five years. Compared with companies which were not worried on this score, they had experienced a considerably higher number of redundancies among senior employees, a considerably lower number of new appointments and a much smaller role for internal promotion in these appointments.

In any event there is little evidence to suggest that this drop in morale had a tangible effect on executives' performance.

Of course the report has its limitations. By concentrating on the top rung of management, it ignores those pushy junior executives who might have least to lose in terms of prestige by hotfooting it to Silicon Valley. But taken as a whole, the evidence suggests that it is just as plausible to argue that higher taxes provide an incentive to senior managers—by making them work harder to recoup the income that has been lost—as it is to say that they provide a disincentive—by reducing the net value of further increases in earnings.

Complicated

This may be an unwelcome thought for Mrs Thatcher or President Reagan, who appear to believe that businessmen can be made to bloom or whither at the push of a tax button. But for underpaid romantics like myself, it is rather gratifying to learn that life may be more complicated than the supply side economists would have you think. There is still, it seems, a place for old fashioned concepts like loyalty and job satisfaction.

"Companies, Incentives, and Senior Managers" by G. C. Fiegehen in collaboration with W. B. Reddaway. Oxford University Press for the Institute for Fiscal Studies £12.

Becoming familiar with Friuli

WINE

BY EDMUND PENNING-ROWSELL

FRIULI, in the north-east corner of Italy, bounded by the Julian Alps on the north and Yugoslavia to the east, is not one of the best-known regions of the country.

Like that other European wine-producing province, Alsace, historically it has been a battleground of invaders; Huns, Lombards and then a frontier province of the Venetian Republic. It last hit the international headlines with the severe earthquake in 1976—a side-effect of which was to speed up its industrialisation and give welcome publicity to its wines.

Yet 10 years ago, not all that many people were familiar with Friuli wines, even within Italy. At the beginning of the 1960s, vineyard production began to turn over substantially from *promiscua* cultivation, with lines of vines amid other agricultural products, to extensive vineyards *(specializzata)*.

Since the end of that decade, during which considerable advances were made, production has more than doubled, and now runs at about 1.75m hectolitres, of which a high 25 per cent is Denominazione di Originata Controllata and 90 per cent is made from DOC-designated territory.

In contrast to the previous position of nearly all the wines being consumed locally, the region now sells to the rest of north and central Italy, and imports cheaper wines from elsewhere for its own drinking. In the last few years a determined effort has begun to develop exports.

The Casarsa co-operative near Udine, one of the largest in Italy, is selling to Canada, the U.S., and a little to Britain. But the Friuli wines face the problem here of all moderately priced ones: owing to our flat-rate duty system they turn out relatively more expensive than they should be.

Nevertheless the region produces, with very up-to-date equipment almost everywhere, some of the most reliable Italian wines, especially the whites; and at a time when the industry is in a state of some crisis, Friuli and the Trentino are said to be the only two provinces holding their own. It is probably the only one in Italy today where new, authorised, vineyard planting may be seen.

There are six DOCs, geographically based: Collio and Collio Orientale, broadly on the Alpine foothills, Grave del Friuli, and Isonzo, below them on the wide flat plains, and Latisana and Aquileia nearer the head of the Adriatic. And the Pramaggiore wines, basically in the adjoining Veneto, spill over into Friuli.

As is normal in Italy, each DOC is spread among a variety of red and white wines, provided that they are made from authorised grapes, such as Merlot, Cabernet, Tocai Friulano and Pinot Grigio. In all there are four red varieties and 11 white. In addition Collio is made from a blend of the white Tocai, Malvasia and Ribolla.

Three varieties are "native:" the red Refosco produces a very full-bodied wine which can be on the coarse side, but is much enjoyed in the region, Tocai (if not truly local in origin, at least made only in these parts), and Verduzzo, a white variety which reaches its peak in a sweet dessert wine—Verduzzo Ramondolo—which is not, however, a DOC wine, as Verduzzo is not an authorised grape as such. But it is none the worse for that, and can vary considerably in sweetness.

The really sweet Friuli white wine is, however, the celebrated and rare Picolit, made from a grape of that name which suffers from floral abortion and does not pollinate easily, although it is now suggested that if planted among other varieties it can do so. This is a deliciously light golden wine, with a slightly "smoky" aroma and a honey flavour.

As a DOC wine it is limited to Collio Orientale, and when grown in the adjoining Collio, or elsewhere, it is merely a *vino da tavola*, but, from my recent experience on the spot, not noticeably different, though the DOC wine has to be a minimum of 15 degrees in strength, whereas the others are more like 13 degrees.

An indication of its rarity is the exceptionally high price for a young Italian wine. (The current vintage available is 1979. Few Friuli wines exceed an ex-cellars trade price of 2,000 lira, and the average is about 1,500 lira; but Picolit is about 16,000 lira. There is, however, no doubt of its distinctive character and appeal. Harrods list it for £16.

On a much more modest level I was impressed by the Tocai, which is responsible for 50 per cent of the region's white wine production, as Merlot is of the red. A crisp, dry wine with a good deal of attractive acidity that makes it suitable for a summer aperitif as well as with food, it is a wine to be drunk young.

Although in general 1979 was a better Friuli vintage than 1980, especially for reds, I often found the latter fresher for Tocai. Indeed all Friuli dry whites are best drunk within a couple of years of the vintage.

Their great improvement in recent years is because the DOC wines are no longer pasteurised, the heat process that deadens all too many Italian white wines. The freshness of the dry Tocai has stimulated demand in other parts of Italy.

The fashionable Friuli white is undoubtedly Pinot Grigio (Pinot Gris), a wine produced in several North Italian areas that enjoys great popularity in Italy.

In Friuli it is a fuller-bodied wine than Tocai, and among the dozen or so that I tasted, I found it variable, and sometimes on the heavy side. Others, though, were better balanced and agreeable with food. Its ex-cellars price may top the L2,000 mark. On the whole I preferred the less-expensive, well-rounded Pinot Bianco made from the grape of Burgundy. I sampled some good 1979s.

Mostly grown in the Grave district, Verduzzo is a fairly big wine, and can be slightly sweet. The Friulani particularly like it, partly, perhaps, because it is a local variety, and will be popular with those who like such a wine, but on the whole I found it on the "common" side.

I was not too keen on the Traminer either, for it was usually a little sweet, and that seems to me to lessen its incisive character, displayed best in Alsace. Much fresher was the Sauvignon, and the Rhine Riesling was agreeably sweet.

Among the reds I found the Merlots both attractive and moderately priced. One does not expect to find St. Emilion-style wines in Venezia-Giulia, but these are light, easy-to-drink and retaining a little natural sugar.

The Cabernets sometimes had more style but less roundness, and a somewhat "grassy" aroma and taste. But at their best they were superior. Whereas among the white wines there is not much difference between those grown on the hills and those on the plain, the Collio and Collio Orientale reds usually have more to them.

Locally the Refoscos are popular for the same reason as the Verduzzos: they are their very own. Also they are the big, mouth-filling, fairly tannic, acid reds that Italians like to drink with their spicy foods.

Although a little is grown in Collio Orientali, nearly all originates from the great plains of Grave and Aquileia.

For those interested in Friuli wines, relatively little known here in Britain, among the chief importers are Ashlyns-Trestini, 20, Chancel Street, London, SE1, Ciborio, 410, Bristol Road, Greenford, Middlesex, and Lega of Regent Street, 107, Fortis Green, London, N2. Prices for the 1979-1980 vintages of most of the wines mentioned above are around £2.50 a bottle, but with some reduction for dozens. But Ashlyns-Trestini sell the Picolit for £12.06 a bottle, and £142 a case.

Piggott off on the right foot

RACING

DOMINIC WIGAN

YARMOUTH was a particularly good day for favourite backers last year when Elegida (4-1), Vienna Miss (4-6), Ankus (7-4) and Salty Susie (4-6) all obliged. Hopefully, today's holiday crowd will leave the course in a similarly happy mood.

Last year Lester Piggott did not win until he rode Salty Susie in the closing event. This year he should get favourite backers off on the right foot through Nioulargo in the Fee Farm Maiden Stakes.

Nioulargo is a lightly raced colt representing Robert Armstrong, Piggott's brother-in-law. The colt showed he will not be long in winning when he chased home Nourmayr in the MAN-VW Stakes on the July course early this month. Nioulargo, at odds of 33-1, was in the vanguard throughout but failed by only three-quarters of a length to hold the fast-finishing Bluebury winner.

Later in the afternoon Al Hasa and Tomaschek can help keep both Piggott and his many admirers in the seaside crowd happy. Al Hasa can surprise the favourite Wattlefield in the Perebrown. Tomaschek, seeking a four-timer, can show his class against another colt seeking a fourth consecutive success, Prince Maj, in the Sir Harold Cassel Handicap.

Tomaschek, who receives four pounds from Prince Maj, won in a record time before walking over at the last meeting here and looks the afternoon's best bet.

The Haig Whisky Novice Hurdle series moves north to Newcastle next March as the climax to a 43 race series which is now the most valuable of the jumping season. The series also makes Haig the only company to sponsor a race at every jumping course in the country.

For the first time a qualifying race in the series will be held in Ireland—Leopardstown on November 14.

Haig is putting up nearly £60,000 in prize money for the series with the 42 qualifying races worth either £1,000 or £1,500. The final, at Newcastle on March 20, will be worth £10,000.

YARMOUTH

2.15—Nioulargo*
3.15—Zuhur**
3.45—Al Hasa
4.15—Tomaschek***

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.55 The Wombles. 10.00 Jackanory. †10.15 Champion, The Wonder Horse. 10.40-11.00 Take Hart. 1.12 pm Regional News for England (except London). 1.15 News. 1.30-1.45 Heads and Tails. 3.50 O dro I dro. 4.18 Regional News for England (except London). 4.20 Play School (as BBC2 at 11.00). 4.45 Joey and Redhawk. 5.05 Newsround. 5.10 Animal Magic in Hong Kong.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Now Get Out of That.
6.50 Medical Express.
7.20 The Tuesday Film: "Flight from Ashiya" starring Yul Brynner.
9.00 News.
9.25 Barry Norman's London Season.
10.15 Kelly Monteith.
10.45 Come Dancing.
11.25 The Fishing Race.
11.50-11.55 News Headlines.

All Regions as BBC1 except as follows:

Cymru/Wales—5.10-5.40 pm Yr awr fach. 5.55 Wales Today. 6.15 What Ever Happened to the Likely Lads? 6.45-6.50 Newyddion. 11.50 News Headlines, News and Weather for Wales.

Scotland—1.10-1.15 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.50 News Headlines, News and Weather for Scotland.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News Headlines, News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 FACTS.
7.20 One Hundred Great Paintings.
7.30 News Summary.
7.35 My Music.
8.00 Masters of Modern Sculpture.
†9.00 Burt Lancaster in "Sweet Smell of Success" with Tony Curtis.
10.35 Festival 81.
11.00 Newsnight.
†11.45 Laurel and Hardy in "Them Thar Hills."

LONDON

9.30 am Larry the Lamb. 9.40 Friends of My Friends. 10.10 Hands. 10.35 Dick Tracy Cartoon. 10.40 Little House on the Prairie. 11.30 Freetime. 12.00 Paperplay. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 About Britain. 2.00 After Noon Plus—A Summer Season. 2.45 Sounding Brass. 3.45 Cabbages and Kings. 4.15 Scaredy Cat. 4.20 Razzmatazz. 4.45 The Extraordinary People Show. 5.15 Different Strokes.
5.45 News.
6.00 Thames News.
6.25 Crossroads.
7.00 Sapphire and Steel.
7.30 "Mutiny on the Buses" starring Reg Varney and Doris Hare.
9.00 The Member for Chelsea.
10.00 News.
10.30 Best Sellers.
12.20 am Close: "Sit Up and Listen" with Professor Archie Roy.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Sesame Street. 10.30 Hands. 10.55 Cartoon Time. 11.10 The Adventures of Niko. 11.35 Portrait Of A Village. 12.30 pm Gardening Today. 1.20 Anglia News. 5.15 Bygones. 6.00 About Anglia. 7.30 Star Parade featuring the James Last Orchestra. 8.30 Benson. 12.15 am Thames.

ATV

9.35 am European Folk Tales. 9.50 Arctic Doctor. 10.10 Bailey's Bird. 10.35 The Further Adventures Of Oliver Twist. 11.00 Sesame Street. 12.30 pm Gardening Today. 1.20 ATV News. 5.15 Happy Days. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.30 Charlie's Angels. 8.30 George and Mildred. 12.15 am ATV News.

BORDER

9.30 am Sesame Street. 10.30 Morning Matinee: "Moon Zero Two." 1.20 pm Border News. 5.15 Welcome Back Kotter. 6.00 Lookaround Tuesday. 7.30 Give Us A Clue. 8.00 The Jim Davidson Show. 8.30 George and Mildred. 12.15 am Border News Summary.

CHANNEL

12.30 pm Gardening Today. 1.20 Channel Lunchtime News, What's On Where and Weather. 5.15 Happy Days. 6.00 Channel Report. 6.10 Spiderman. 7.30 240 Robert. 8.30 George and Mildred. 10.28 Channel Late News. 12.15 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.40 am First Thing. 9.45 Wild Wild World Of Animals. 10.10 Hands. 10.35 Sesame Street. 11.35 The History Of The Motor Car. 12.30 pm Gardening Today. 1.20 North News. 5.15 The New Fred And Barney Show. 6.00 Summer At Six. 12.20 am North Headlines.

GRANADA

9.30 am Dick Tracy. 9.35 Target The Impossible. 10.00 Cartoon. 10.10 Who's Afraid Of Opera. 10.35 Bailey's Bird. 11.00 Sesame Street. 1.20 pm Granada Reports. 3.45 The Spinners And Sport. 5.15 Think Tank. 6.00 Granada Reports News. 6.05 Time Off. 6.25 This Is Your Right. 7.30 "Nightmare In Chicago."

HTV

10.10 am Quest For Arthur. †10.35 "Gangway" starring Jessie Matthews. 12.30 pm Gardening Today. 1.20 HTV News. 5.15 Cartoon. 5.20 Crossroads. 6.00 Report West. 6.30 Into The Labyrinth. 7.30 Vegas. 8.30 George And Mildred. 10.28 HTV News.

HTV CYMRU/WALES—As HTV West except— 12.00-12.10 pm Cwadi Cwac A'i Ffrindiau. 4.15-4.45 Camigam. 6.00 Y Dydd. 6.15-6.30 Report Wales.

SCOTTISH

9.50 am The New Accelerators. 10.15 Kum Kum. 10.40 Welcome To The Ceilidh. 11.05 Bailey's Bird. 11.30 Freetime. 12.30 pm Gardening Today. 1.20 News Headlines and Road and Weather Report. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today/Festival '81. 6.30 Father Dear Father. 7.30 The Disney Classics. 7.40 Tuesday Thriller: "The Mask of Alexander Cross." 12.20 am Late Call.

SOUTHERN

9.35 am Untamed World. 10.00 Young Ramsay. 10.50 Alphabet, The Story Of Writing. 11.15 Stingray. 11.45 How. 1.20 pm Southern News. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day By Day. 7.00 Sapphire And Steel. 7.30 Charlie's Angels. 8.30 George And Mildred.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. †9.30 Morning Movie: "Crest Of The Wave," starring Gene Kelly. 11.00 The World We Live In. 11.30 Free Time. 1.20 pm North East News and Lookaround. 5.15 Worzel Gummidge. 5.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.30 Beyond Westworld. 8.30 The Jim Davidson Show. 10.30 North East News. 12.20 am Four Great Gifts.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.30 Square One. 7.30 Charlie's Angels. 8.30 George And Mildred. 10.29 Ulster Weather. 12.20 am Bedtime.

WESTWARD

9.40 am Untamed World. 10.05 George Hamilton IV. 10.30 Bailey's Bird. 10.55 Call It Macaroni. 11.15 Sally And Jake. 11.30 England Their England. 11.55 Wattoo Wattoo. 12.27 pm Gus Honeybun's Birthdays. 12.30 Gardening Today. 1.20 Westward News Headlines. 5.15 Happy Days. 6.00 Westward Diary. 7.30 240 Robert. 8.30 George And Mildred. 10.32 Westward Late News. 12.15 am Faith For Life. 12.20 West Country Weather and Shipping Forecast.

YORKSHIRE

9.40 am Wild, Wild World Of Animals. 10.05 The Beachcombers. 10.30 Animated Classics. 11.30 George Hamilton IV. 11.55 Wattoo Wattoo. 12.30 pm Cabbages And Kings. 1.20 Calendar News. 3.45 Calendar Tuesday. 5.15 Survival. 6.00 Calendar (Emley Moor and Belmont Editions). 7.30 Give Us A Clue. 8.00 The Jim Davidson Show. 8.30 George And Mildred.

(S) Stereophonic broadcast
‡ Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Tony Blackburn with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Dave Lee Travis with Vinegels. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Steve Jones (S). 7.30 Ray Moore (S). 10.00 Jimmy Young (S). 12.00 Bob Kilbey (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 David Symonds with Much More Music (S). 8.00 Jim Reeves And His Music (S). 9.00 Marching And Waltzing (S). 9.55 Sports Desk. 10.00 The Arthur Askey Variety Show. 11.00 Brian Matthew with Round Midnight from The Edinburgh Festival. 1.00 am Trucker's Hour (S). 2.00-5.00 You And The Night And The Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued) (S). 9.00 News. 9.05 This Week's Composers: The Court of Mannheim. 10.00 Liszt (Piano recital) (S). 10.50 Late Georgian Anthems (S). 12.10 pm London Mozart Players (S). Concert (part 1). 1.00 News. 1.05 Six Continents. 1.25 Concert (Part 2) (S). 2.05 French Cello Sonatas (S). 2.50 Hilliard Ensemble (S). 3.15 The Younger Generation (S). 3.50 Flute and Harpsichord (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly For Pleasure (S). 7.00 Let The People Sing (S). 7.30 Proms '81 (Part 1) Mozart (S). 8.30 Must Things Fall Apart? 8.50 Proms 81 (Part 2) Lutoslawski (S). 9.45 The Moment Of The Flying Fish (short story). 10.00 Purcell's Sonatas (S). 10.25 The Vision Of Piers Plowman (S). 11.00 News. 11.05-11.15 Vivaldi (S).

VHF Only—Open University. 5.55-6.55 am and 11.15 pm-12.55 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.45 Tales From A Long Room. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Thirty-Minute Theatre. 11.35 Wildlife. 12.00 News. 12.02 pm You And Yours. 12.27 The Larger Lunacy Of Stephen Leacock (S). 12.55 Weather; Programme News. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 The Red And The Black by Stendhal (S). 4.00 A Look Sideways At ... Docs. 4.15 Home Ground (profile of Barry Hines). 4.45 Story Time. 5.00 P.M.: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News, including Financial Report. 6.30 Brain of Britain 1981 (S). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 The Missionaries. 8.35 Anthony Hopkins Talking About Music (S). 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Jason Explanation of Saturday Night (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 The Great Instrumentalists: Fritz Kreisler, violinist. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Richard Vaughan Telephone Programme. 12.30 pm London News Desk. 12.40 MMM... Maitland's Midday Music. 2.30 Tony Blackburn. 5.00 News. 5.15 Music On The Move. 6.33 Openings. 7.03 Black Londoners. 8.00 As Radio 1. 10.00-5.00 am Join Radio 2.

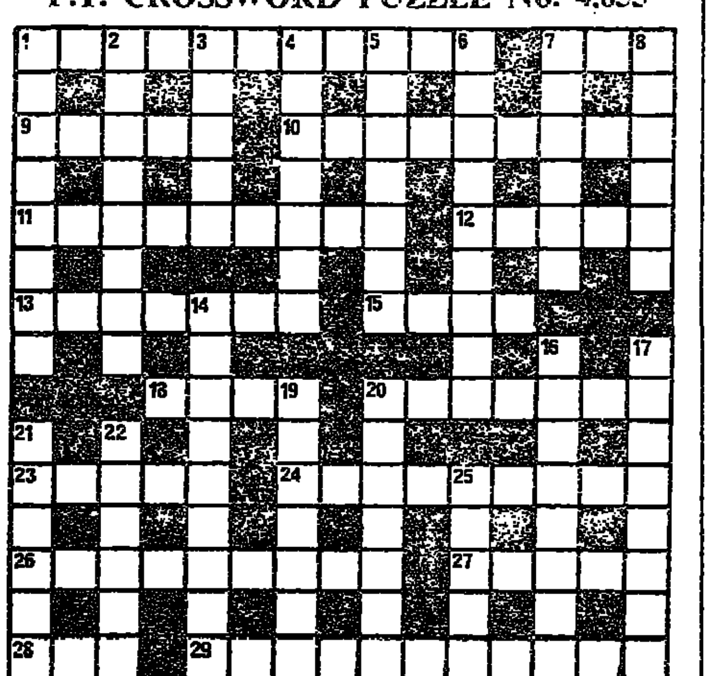
London Broadcasting

8.00 am AM—Douglas Cameron and Douglas Moffitt. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 LBC Special. 5.00 Morning Music.

Capital Radio

7.00 am Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Mike Allen. 1.00 First Report. 1.10 Mike Allen (continued). 3.00 John Sachs. 6.30 London Tonight. 7.00 Capital Radio Jazz Festival. 8.30 Peter Young (rock music). 10.30 The Late Show. 12.00 Midnight Special.

F.T. CROSSWORD PUZZLE No. 4,655



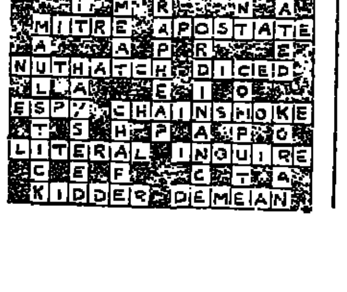
ACROSS

1 Not all members of cast go their own way (4, 7)
7 Due to 12th man (3)
9 Trojan handling public relations one morning (5)
10 Attack leader with lance in the end (9)
11 Cast prepared to have restless night in bed (4, 5)
12 Plant showing old Bob to advantage (5)
13 Underdone part of dish (7)
15 Soldiers I would use for invasion (4)
18 Germany beginning to free network (4)
20 Shortened while occupied (5, 2)
23 Indian the railways welcome (5)
24 Aim to cut a faulty weapon (9)
26 Blooming specimen good wishes to racing driver (9)
27 Family right to go by boat (5)
28 Express for instance (3)
29 Put by 11 seconds (7, 4)

DOWN

1 Reports on sailors by leading chartists (3, 5)
2 Take cover again in check? Of course (8)
3 Hundreds in deep sleep used to break up sentence (5)
4 Skip with girl abroad (4, 3)
5 Assistant to a punter (7)
6 Crime squad's instant standard (9)
7 Calm down sweetheart (6)
8 Harry the beast (6)
14 Stop offer being made to pump handler (9)
16 Fashionable position taken up in illustration (8)
17 Entire range of truce MPs re-write (8)
19 Garment fitting chest (7)
20 Gossip columnist on magazine we hear (7)
21 Swears at article on public transport (6)
22 Just exclude cathedral (6)
25 First person to shelter in scrum (5)

Solution to puzzle No. 4,654



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CLUBS/ENTERTAINMENT [illegible]

CINEMAS

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London Galleries

Léger—Configuration

by WILLIAM PACKER

Fernand Léger is one of the oddest and most ambiguous of the modern masters, his work at once monumentally impressive and yet banal, beautifully dull. His idiosyncratic variant of Cubism, established so early, is then turned out over a long career with a stunning regularity and consistency, building up and sustaining a momentum that is irresistible. A certain quirkiness reveals itself from time to time at the personal level, in the studies and drawings, but by no means always; and it is the generalised accumulative impression that is carried over. We stand back to acknowledge the simple grandeur of the larger compositions, but moving closer to inspect the smaller single item, a drawing perhaps, or a smaller painting unsupported and out of context, we cannot help but wonder at the bland unpainterliness and awkwardness of the hand.

An odd and somewhat tricky little exhibition now at the Riverside Studios (until September 6) makes just these points. It falls into two sections, the major part being a group of drawings with a few related paintings put together by the Pompidou Centre in Paris, all of them dating from the years between 1928 and 1934 and in large part reconstituting an exhibition that Leger held at the Galerie Vignon in Paris in 1934. In addition the critic Paul Overy has drawn upon British collections to put together a brief complementary retrospective for this, Léger's centenary year.

From first to last choice is never less than interesting, and includes a number of surprising and one or two very fine works: a most unexpectedly free and cursory drawing of the nude, for example, from 1910; a simple and most architectural Fruit Dish from 1925; a charmingly casual group of acrobats from 1939; and from 1954, the year before his death, a Young Woman with a Flower, the black drawing of her head laid with disarming simplicity upon what might be the tricolour.

But these are bonus, and the heart of the show remains the Pompidou group, "La Poésie de l'Objet." With the exception of a painting of some tree trunks, though even in that the treatment and effect remain consistent with the rest, each is a study of a single item, man-made or natural, set up in isolation: a leaf, a flower, a nut, a crumpled cloth, a pair of trousers, a root, a flint, a lump of meat, a belt, a pencil-sharpener, a nameless broken object. The few paintings, despite the particularity of the images, are formally and in the handling of the surface very characteristically Léger, but the drawings are rather a different matter, detailed and finely-shaded, and characteristic only in their almost awkward stiffness and impassivity. "Twenty-five drawings in five days, drawings in a very finished style, like Durer, tight, hard—bursting—mean even—they are mean." Echoing Léger himself, indeed they are.

Young Woman holding a Flower—Fernand Léger, 1954

Back to the West End, and a few more Légers are being shown at the moment by Annely Juda (until September 26) whose mid-summer exhibitions are by now an established and invariably distinguished feature of the London gallery calendar. Each July these past several years Mrs Juda has brought together a show centred upon the classical tradition in European abstraction, which is to say post-cubist, suprematist and constructivist, now emphasising one aspect or period, now another, and showing overall how, from that golden age in the earlier decades of the century, it has continued a lively tradition even into our own time. This year, however, though as judicious as ever, she has been somewhat less exclusive in her choice, and under the title "Configuration 1910-1940" has brought in a number of figurative works that complement the particular kind of refined and cerebral abstraction with which they were contemporary—hence the Légers of course, the Gris still-life, the delightful Klees and the couple of Picassos: and with the Magritte and even more so with the Ernsts, we do move, if gently, towards something decidedly warmer: just a whiff of sulphur, perhaps, in the ozone.

For the rest there are some splendid things, and from all the right people: Lissitzky, Moholy-Nagy, Delaunay, Gabo, Kandinsky, Schwitters, Rodchenko and so on. And there are one or two oddities as well as treats, a fresh and most freely stated orchard by Mondrian, for example, dating from 1903, to go with the magnificent, uncompromisingly simple composition of 1927.

But Mrs Juda's lower gallery holds the biggest surprise, and what is most important to art scholarship. Vladimir Tatlin, the proto-constructivist, is known to have produced, in the two years following his return to Moscow from Paris in 1913, a a number of non-figurative relief sculptures, a body of work that has long since been missing, presumed destroyed. An English sculptor, Martyn Chalk, working upon the most fugitive and minimal of documentary material, has now reconstructed seven of them; or rather restated them, for as Chalk quite readily admits, the rebuilding of lost works is an ambiguous business, asking many rather awkward questions about status and intention: are such things fakes, or mere copies, or perhaps original and authentic works of art in their own right?

I would incline to the last view; for, honestly carried out—and there is no doubt of that here, the practical difficulties and limitations that beset any such exercise are alone enough to allow no other. Judgments of scale, texture, colour (with only old photographs to go on, these things are as dutifully monochromatic as the natural colour of material allows), tone, balance, emphasis, to say nothing of the countless minute and particular, often instinctive decisions that constitute the practise of any true craft, can only be reconciled through the medium of an artist's sensibility. Too literal a reading of the evidence and the work dies; and these sculptures, though so disciplined and genuinely humble in intention, by their very liveliness make the point. This discreet and sensitive interpretation honours Tatlin, and informs our understanding.

And in conclusion I make no apology for returning, if only in passing, to the Tolly Cobbold Open Exhibition, which I reviewed upon its opening in Cambridge in April, and now concludes its tour at the ICA (until September 13). I shall not rehearse those earlier strictures, suggestions and general indications of approval, but only say that collectively and in detail the work remains as interesting, various and enjoyable as when first I saw it, and respectfully suggest that you all take the chance to enjoy it for yourselves.

Salzburg Festival

Hoffman, Flute by MAX LOPPERT

Salzburg runs, an immaculately maintained engine on perfectly oiled wheels, along an expertly laid track, the gradient easy, the passage smooth, the view lush. As far as possible, in a world where the quantity of the best singers and conductors is being stretched increasingly thin (and the quality of that best often, sadly, a comparative rather than an absolute phenomenon), nothing but the best, it seems, will do, and the best in lavish profusion.

Elsewhere, ticket prices may rise remorselessly (though very seldom as high as Salzburg's 1981 highest: 2,000 schillings, or just under £65), yet pennies get pinched, budgets restricted, sets limited to all-purpose unit provisions, and costumes made on the gaudy cheap. In such as Les Contes d'Hoffmann (a revival of last year's Offenbach centenary tribute) or the new Karajan Falstaff, the Cinerama-style breadth and depth of the Grosses Festspielhaus stage respond to whatever degree of sumptuousness can be conferred upon it. Set changes, however complicated, are invariably deft, almost always noiseless; the clanks and clangers of the Coliseum seem light-years away. Strangely — or predictably, depending on your particular point of view — this does not inevitably lead to operatic excitement, to the sense of creative endeavour that can grow out of restrictions imaginatively surmounted in more intimate surroundings (even the Kleines Festspielhaus is Klein only comparatively). It does not inevitably exclude such possibilities, either; four evenings of Salzburg opera earlier this month brought their own surprises.

This year's novelties are the Falstaff already mentioned and a "creation," Salzburg's first since Henze's Bassarids in 1966; both Verdi and the new work—Baal, a Brecht opera by Friedrich Cerha—deserve separate notices to themselves. Meanwhile, then, a note on two superior, not wholly satisfying Salzburg revivals, their common factors Jean-Pierre Ponnelle as producer and James Levine as conductor. David Murray described in a detailed review the Offenbach after last year's introduction; his conclusion — "a grand near-miss"—is mine, except that this years the miss did not always seem so near.

Among the world's important opera producers, Ponnelle is surely the most abundant of invention, the least musically sensitive, the least distinguished by intellectual probity. This Hoffman, the stage miraculously swallowing and disgorging portions of a glittering small-town facade and transmogrifying them into strikingly lit settings of the three central tales, is a theatrical feat of a kind very rarely encountered in the opera house. For all that, Offenbach's elusive score, which John Schlesinger showed off at Covent Garden (however corrupt the text) in a strong and flattering light, plays an apparently subordinate function in it—subordinate, indeed, to the point where the unevenness of the music stands in unhappily prominent relief. Producer and conductor have agreed on carefully selected additions from the new Oeser edition; this production, low on insight springing directly from the music, makes a poor case for most of them, except insofar as the role of Muse Nicklaus (this year Ann Murray, in an alert and bright-eyed portrayal) gains usefully in length and credibly in detail.

It is a long evening in the theatre, orchestrally plush (the Vienna Philharmonic, a luxury that comes to feel an excess), padded out by unidiomatic delivery of recitative (except when José van Dam's villains, the comprimarii Remy Corazza and Gérard Friedmann, or Miss Murray were there to suggest how it should be done), overly reliant on Placido Domingo's stamina and ardour — his Hoffman less moving than in London, though some things, notably a liquid start to "Oh dieux! de quelle ivresse," were more suavely achieved.

Christian Boesch in Die Zauberflöte

The show came nearest to being quickened to real dramatic vitality by Catherine Malfitano, who this year shares the duties of the four female roles with Edda Moser. The American soprano, whose apparently frail tonal resources can be exploited with surprising abandon, made a slightly cautious approach to doll coloratura, but an impassioned one to consumptive lyricism, and an ingenious kind of Hollywood-French fakery out of courtesan voluptuousness. She is a stage performer of altogether exceptional qualities, which include unswerving devotion to the task at hand: Olympia wriggled in hilarious mechanical contortion, Antonia writhed in frenzies of neurotic possession, while Giulietta twinkled across the floor in delicious Cyd Charisse-style black tights, a note of witty spoof sounded with care and grace.

Before the performance, the curtains had parted for the announcement of Karl Böhm's death earlier the same day; and one was ready to believe that the ponderous effect of Levine's conducting was the product of sad news and solemn reflections. Next evening, in Die Zauberflöte, the same self-consciousness, the same heaviness, were in evidence—detail searched out and caressed, rhythms stolid of tread, the path through the difficult second act cluttered with "affectionate" pauses and lingerings — and excuse was less easily come by.

Such devitalisation proved especially unfortunate in that this Salzburg Flute, in the Rock-Riding School, whose galleries and peculiar terrain dictate terms here brilliantly honoured, afforded the first genuine exception of my experience to the Ponnelle rule formulated earlier: for long stretches, it had to be taken seriously, and admired. The Queen of Night and Monostatos spying on Sarastro during his second aria is a meaningless intrusion; but, of that typically Ponnellian kind, there were very few others and the combination of beautifully localised spectacle and cleverly localised comedy — the Viennese actor Christian Boesch (a decent baritone) taking the centre of the stage as an irresistible Papageno — was continuously impressive. A pity, too, that Eric Tappy's indisposition found his fresh-faced, personable replacement as Tamino, Rüdiger Wohlers, so unreliable of vocal technique: the contrast with Lucia Popp, in glowing voice and spirit as Pamina, amounted to an embarrassment.

Albert Hall/Radio 3

Rossini's Stabat Mater

by RONALD CRICHTON

Sunday's Prom with Giulini conducting the Philharmonia Orchestra and Chorus in Rossini's Stabat Mater was broadcast and recorded for television. The soloists were eminent—one suspects a gramophone recording in the making. That the non-comic-opera side of Rossini, still one of the underrated, or at least misrated, great composers, should find so huge an audience on one evening is excellent. Though one doesn't immediately recall his conducting many of the serious operas, Giulini's love of Rossini and his authority are not in doubt. Sunday's performance did however raise some questions concerning the nature and present use of that authority.

The chorus filled the tiers behind the orchestra and the players too were numerous, perhaps unnecessarily so for this score. The balance was not always clear. In the introduction to "Inflammatus" the brass swamped the string figures. Rossini's scoring, both pellucid and pungent, was coated with varnish. Considering the numbers involved, the chorus was remarkably clear and supple in the big fugal finale, and kept pitch tolerably well in the unaccompanied pages.

Giulini's mastery showed in such things as the quiet string line in "Cujus animam" and the unostentatious way he kept the fugue moving. The brashness which can mar incompetent performances of this work was banished, and with it unfortunately went the swagger and strut. Nicholas Cleobury's Festival Hall performance earlier this year with the London Choral Society and the City of Birmingham Orchestra gave a sharper, more illuminating view than Giulini's golden glaze.

Concerning the soloists the Promenaders (the hall of course was full) had every reason to be open-mouthed at the BBC's lavishness. In the event only the mezzo, Lucia Valentini Terrani, came up to expectation. Katia Ricciarelli gave a quicksilver soprano line in the ensembles but in the great "Inflammatus" could provide neither the long line nor the "lift" the music imperiously needs (Valerie Masterson, in the South Bank performance mentioned earlier, achieved both). The young Spanish tenor Dalmacio Gonzalez has a timbre of attractive and promising quality not yet incisive enough for "Cujus animam." Ruggero Raimondi was in sour voice. Miss Valentini-Terrani on the other hand is an Italian mezzo of the finest kind—steady, grave without heavines, with a dignity and seriousness which put to shame her colleagues' efforts to capture a suitable style.

Giulini, it goes without saying, was wholly serious but the old sternness has gone, leaving a kind of priestly benevolence like a laying on of hands. With his bending at the knees, there is even a suggestion that he should really conduct kneeling—he looks so tall on the podium he could almost do this. The music is left without backbone. The Surprise Symphony of Hadyn before the interval was benign nearly to the point of unctuousness. Hadyn's sturdy godfearingness was surely something different.

Festival Hall

Simon Rattle by MAX LOPPERT

Simon Rattle's inaugural season as artistic director of South Bank Summer Music has been a distinct success: Mr Rattle's stimulating ideas about compiling and juxtaposing programmes and his infectious air of involvement in every kind of musical undertaking have contrived to prise out of a rut of predictability an enterprise in definite danger of sticking there in recent summers. For the concluding concert, on Sunday, he removed, with the English Chamber Orchestra and the London Choral Society, to the largest South Bank hall for a concert that should properly have afforded a triumphant close to the season.

It was not quite that, though worth attending all the same. The ballet scenery currently in apparently unbudgeable residence on the Festival Hall stage interfered with the orchestral and choral presence, drying out even further the already unforthcoming acoustics and sucking the tone as much upwards as forwards. Because Mr Rattle successfully imposed his vigorous musicianship on two of the three works performed, some, if not all, of the diminishing effect was counteracted.

The Fauré Requiem, which filled the second part, is not a chamber work. It is a composition on a large scale in which all forces are employed with miraculous and creative restraint. (In the resonant ambience properly belonging to the music, the handful of forte or fortissimo outbursts emerge from the general climate of intense, radiant quietness with magnificent insistence.)

Here, a toll of restricted range was levelled against the work: yet because the conductor kept the movements limpidly flowing, eager in tracing of the melodic lines, light and lucid in placement of instrumental texture, restriction was itself fruitfully reduced. (A pity that the hall's own organ had of necessity to be replaced by a mousy portable instrument.) The choir wants metal in the all-important tenor line, and a degree of forwardness in the soprano; it is a poised and alert body, exceptionally responsive to Mr Rattle's loving but unsentimental ideas about music too often sugared and sticky-fingered. Jennifer Smith sang the treble solo with an ideal blend of intimacy and lyricism. Thomas Allen, the baritone, perhaps lacked something of the proper style — the final piano "Libera me" pleas issued as firm commands. The voice itself, sounding in splendid condition, answers naturally to most of the musical requirements.

The Dorati orchestration of Bartok's Suite, Op. 14, for piano had set the concert off in brisk and vital humour (it was surely not the fault of the usually impeccable Thea King that the deliciously atmospheric little clarinet gurgles in the opening Allegretto, so pertinently picked by Dorati out of the piano writing, went for almost nothing). Stage and hall joined to present Beethoven with their most pressing discomforts of balance — one doesn't always want an imperial sumptuousness of the tone in the Emperor, but the body of horn tone against strings and solo piano was often simply too thin to tell. The pianist, Tamas Vasary, had to struggle thus, and also against a horridly unequalised instrument; apart from a few phrases of characteristic poetry, this flustered performance is hardly one he will want to remember.

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Tuesday August 25 1981

TUC in the wilderness

IF THE Trades Union Congress in Blackpool next month carries—as is overwhelmingly likely—the great part of the motions on its agenda, it will be committed to a more radically anti-Government position than it has been in the first two years of Mrs Thatcher's administration.

Does it any longer matter—at least as long as this Government is in power — what the TUC decides next month?

Arguments

With the obvious if ambiguous exception of Mr James Prior at the Employment Department, the Tories have shown that they do not care much for the TUC. Its arguments on reflation of the economy to reduce the ever-climbing levels of unemployment have been largely ignored and there is no sign that its latest document, "The Reconstruction of Britain"—which calls for a £24bn boost over the next five years—will be any more highly regarded.

The Government has been able to show this insouciance because the Labour Movement is as weak as it has been at any time since the war. Unemployment has stripped unions at plant level of their bargaining power, leaving only those unions with public sector monopoly strength—such as the mineworkers water workers and energy industry workers—relatively unaffected. Lacking leverage at its base, with a substantial drop in membership and funds, the TUC has so far not been in a position to make the Government pay attention to it.

The answer to whether the unions can enforce attention in the future depends, as their leaders well know, not on the resolutions and rhetoric at Blackpool but on a recovery of TUC strength. The expected continuation of a slack labour market makes such a recovery difficult.

Encouraged

Certain action is open to the unions. The TUC has been encouraged by the publicity success of the People's March for Jobs (of which it was at first mistrustful), and is working hard to draw under its aegis, and articulate the discontents of, unemployed youth and ethnic minorities. It may itself organise, or encourage unions to organise, the unemployed in their ranks. It will exercise what influence remains to it on Mr Prior to keep the forthcoming employment legislation as modest as possible.

It can do much—and has done—with the Labour Party in opposition. Joint policy making between the TUC and the Labour Party is now dominated by the former. Many union leaders are now working hard — sometimes desperately — at trying to ensure that the Party retains a sense of the possible and the electable.

Yet this activity does not remove the TUC's nightmare that, if Labour does not achieve power at the next election, the tripartite structures which have increasingly underpinned British economic life since the 1940s and in which the trade unions played an increasingly powerful part, might be so enervated that the power bases they provided for labour would effectively have ceased to exist.

The issue of youth unemployment and training, which attracts more interest from unions than any other subject on the TUC agenda, is a good case in point. The Government wishes to cut back sharply on the statutory training boards: the Manpower Services Commission, supported by the TUC, thinks it a bad idea and instead argues for a "new training initiative" with more resources and more powers.

Upturn

The Employment and Training Act, recently on the statute book, gives the Government the power to override the MSC, introduce voluntary training schemes and give employers the largest say in their running: an end to equal tripartism. The TUC has warned that, if this happens, it will cease to co-operate in training, one of the country's most crucial resources. This move, if repeated in other areas, would bit by bit push the unions into a peripheral and resentful position, their strength shackled.

The present Government will seek to keep the unions in that position as long as it can. Yet unemployment, either through economic upturn, reflation or job restructuring of some kind, must come down, and the unions' potential strength will again increase. A future Government — whether it be "wet" Conservative, one with a Social Democratic element or Labour, will have to deal with that strength, and will no doubt attempt to do deals in the familiar, tripartite way.

The TUC, in the 1960s, marched in from Trafalgar Square to Whitehall and had stayed there ever since. It has now been sent on a forced march back to Trafalgar Square, to the horror of many of its leaders. A future about turn will not be helped by it being hoist on a petard, of its own making, stuffed with unrealisable policy documents and ineffective motions.

The price of Soviet trade

THE SOVIET UNION has in the past reminded Britain that it gives business contracts to its friends. But its warning at the weekend on the issue was significant both for the clear linkage made between trade and disarmament policies and for its timing. Seen narrowly, it was an attempt to rally British business to the cause of detente and thus to soften the line of the British Government. But, perhaps more important, it formed part of a wider campaign by Moscow to play up divisions within the Western alliance.

Stressed

The warning, which was made by Mr Vladimir Sushkov, the Soviet Deputy Trade Minister handling trade with Britain, comes as British companies are trying to win their share of orders which the Soviets are placing under the 1981-85 five-year plan. Mr Sushkov pointedly stressed that about £1.4bn-worth of contracts were now under discussion with the West. He also listed companies such as ICI, John Brown and Davy Corporation, which have won major Soviet contracts, as well as BP, the British Steel Corporation and Shell which are currently involved in negotiations with Moscow.

For all the talk of glowing possibilities—so often illusory in the past—the fact remains that Anglo-Soviet trade suffers from what President Brezhnev has described as stagnation. Apart from the companies mentioned by Mr Sushkov, only a few others are deeply involved in the Soviet market. Trade has not increased in the past three years. While this reflects in part the ending of the past five-year plan period, Britain is lagging far behind France and West Germany.

This is not entirely the result of politics. Senior British businessmen are not so often seen in Moscow as some of their competitors. The services the government helps provide in Moscow to support business are less extensive than those of France and Italy. London businessmen also complain that British credit terms are less imaginative than those offered by, say, Japan.

But Mr Sushkov has tried to emphasise that politics plays its part. By doing so at a time when British companies are seeking contracts to exploit the Barents Sea and make a contribution to the $11bn gasline from Siberia, he appears to be threatening Britain with reduced trade if it continues its firm line over the Soviet invasion of Afghanistan and other issues.

However, his message also forms part of a wider campaign the Soviet Union is waging to underline the divisions which separate today's Washington from the more cautious policies of Western Europe. In the field of arms control, the Soviet Union wants to give the impression that Washington is more interested in an arms build-up than in arms control talks.

Moscow's recent wooing of Herr Willy Brandt, the West German Social Democrat chairman, seemed to represent part of this process. Herr Brandt returned from Moscow floating the kite of a Nordic nuclear free zone, which only increased the tensions over defence within Chancellor Schmidt's already fractious party.

Mirroring Western differences over arms are disagreements between the Nato allies over trade with the Soviet Union. Here the dividing line runs clearly down the Atlantic, with the U.S., for all its ending of the grain embargo on Moscow, deeply suspicious of several projects cherished by Europe, in particular the proposed gasline.

Reminder

Mr Sushkov has provided a reminder that Western governments should quickly focus on this issue to prevent it from dividing them. But so far as Britain is concerned he appears to have overstated the extent to which Moscow lets politics interfere with the usually hard-headed way it makes its commercial decisions.

ULSTER

Provos play their political card

By Stewart Dalby in Dublin

THE VICTORY of Mr Owen Carron, the unemployed schoolteacher representing the IRA hunger strikers in the Fermanagh-South Tyrone by-election, has serious implications for Ireland and for Britain.

It can be seen as a further success in the campaign by the Provisional IRA to de-stabilise the shaky coalition government in the Republic as well as increase the polarisation between the communities in Northern Ireland. The feeling in Dublin is that the situation is far graver than is generally realised in London.

The victory has also helped to demolish the myth that the Provisional IRA, the main paramilitary group on the nationalist side, is a small terrorist band which does not enjoy widespread support among the Catholic community in the province.

The British Government, or at least those who speak for it in Dublin and Belfast, argue that the constituency is not typical of the province and not too much should be read into a by-election result. The area abuts the border with the Republic and sectarian divisions are particularly pronounced. There is a small inbuilt nationalist majority, so the argument runs, and there is a long tradition of Catholics voting for any candidate to keep the Unionist out.

All of this is true, but only up to a point. This time, in contrast to the April by-election which brought the late Mr Bobby Sands to the seat in a straight two-man fight, there were two other Catholic candidates for those who wanted to reject the IRA. Yet Mr Carron actually increased the size of Mr Sands, majority.

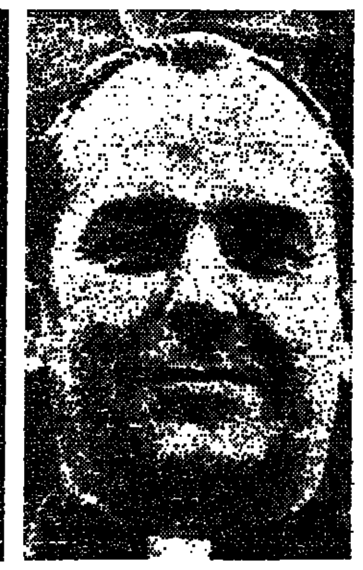
Many observers feel this second by-election victory for the hunger strikers and the IRA, together with the remarkable successes in the Irish general election last June 11, signifies that the Provisional IRA has established credibility as a political force as opposed to merely a paramilitary one for the first time in its 11-year history.

Its newly-emergent leaders are men who, unlike the old guard, seem to be able to think in political and military terms at the same time.

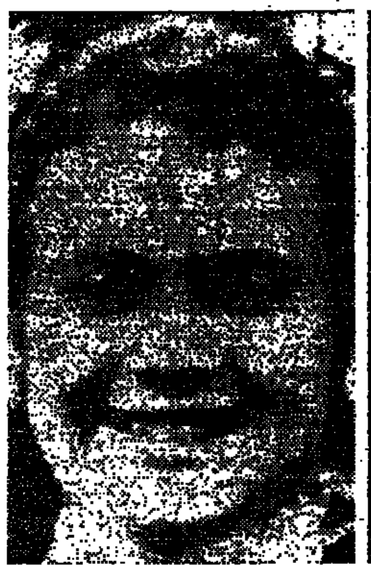
With the hunger strikes as a focus the Provisionals have blended into a much wider Republican movement. Using the National H-Block/Armagh Committee as an umbrella the Provisionals have actually snuggled up with members of the Irish National Liberation Army (INLA)—an offshoot of the official IRA and the Provisionals' old enemy.

Similarly, even 18 months ago it would have been hard to picture H-block activist Bernadette McAliskey sitting on the same platform as Mr Gerry Adams, a leading member of Provisional Sinn Fein, the political wing of the Provisional IRA. Mrs McAliskey, who as Bernadette Devlin sat in Westminster 1970-74 as MP for Mid-Ulster, once belonged to the Irish Republican Socialist Party, but as far as is known has never been a member of the Provisionals. Yet recently the two have been giving press conferences, sitting on protest platforms and making campaign speeches together.

GERRY (GERARD) ADAMS, 32, officially vice president of Provisional Sinn Fein, unofficially the most powerful man in the Republican movement. Associated with the IRA for the past decade, regarded as something of a leftist intellectual, involved in ceasefire negotiations with Mr William Whitelaw in 1972. A former barman, spent 4 years in the Maze either interned or awaiting charges, and developed close links with those currently on hunger strike.



CARDINAL TOMAS O'FIAICH, 57, Primate of All Ireland. Shrewd, highly political churchman, has acted as key intermediary between the British Government and the hunger strikers. Outspoken advocate of British withdrawal from Ulster, harsh critic of Mrs Thatcher, typifies the Catholic population's ambivalence towards the hunger strikes—a mixture of emotional support and religious repugnance. Looks to the British Government to make concessions.



BRENDAN MACFARLANE, 25, succeeded Bobby Sands as IRA commander in the H-blocks. The organising force behind the hunger strikes, plays a major role in deciding which applicants to joint the strikes will be approved. Arrested in 1976 for leading a bomb attack on a Belfast pub, currently serving five concurrent life sentences for murder with a recommended minimum of 25 years, totally dedicated to the Republican cause.

BERNADETTE McALISKEY (Devlin), 32, influential Republican activist, committed Socialist, elected as an Independent MP to Westminster at the age of 21. Flirted briefly with the Irish Republican Socialist Party but too independent/revolutionary to remain committed to any one party or succeed in uniting the republican left. A persuasive platform speaker, her idealism has won considerable popular support for the hunger strikes.

This new found cohesion, engendered by the hunger strikes, has translated very well tactically. This could be seen in the way the Republicans got a clear run for Bobby Sands in the April by-election. Mr Noel Maguire, the bachelor brother of Mr Frank Maguire, whose death caused the by-election, was insistent that he would run for the seat. Four minutes before nominations closed he abruptly withdrew amid reports of strong pressure on him not to run.

The Social Democratic and Labour Party, the main moderate Catholic party in the province, was thus completely outmaneouvred. It had hoped Mr Maguire would run, thus splitting the Catholic vote, therefore saving the SDLP from running and incurring the ignominy of coming a poor third.

The SDLP has been condemned for political cowardice in not running against Mr Carron, but Mr John Hume, the party's leader, knows that in the current highly-charged emotional climate his party runs the risk of being seen as British quislings. The old Nationalist Party, which like the SDLP tried to hold the middle moderate ground, eventually faded away for this reason.

The Republicans in Fermanagh have clearly mastered the time-honoured practice of impersonation, once the preserve of the Protestant Unionists. The joke going the rounds during the by-election was that the overall turnout was 88.2 per cent but in some places it was 103 per cent.

People from far and wide arrived at Republican headquarters to help with the campaign. Cars were organised to ferry people to the polling booths, blackboards were erected and population patterns worked out. Leaflets were distributed. It was the kind of organisation not seen among the Republicans too often in the past.

It was a similar story in the general election in the Republic. Wives, widows and children of the hunger-strikers paraded around the border constituencies, making overtly emotional appeals to the voters to save lives.

One Provisional said after the result: "Look, we have not fought elections in decades; we stood in only 11 constituencies, and yet we still polled 3 per cent of the national vote and got two men elected to the Dail. You must remember we had no machine and little expertise in fighting these elections. In the next election we will be better organised because now we know how to do it."

Provisional leaders insist they have no control over the hunger-strikers and have no power to call off the strike. But in exploiting the hunger-strikes they are riding the crest of a political wave. They are preventing the implementation of British policy in Ulster: to all intents and purposes they wrecked the projected consultative assembly, and have kept the Republic unsettled.

To this British officials reply that the Republicans may have won a battle but they cannot win the war. The argument runs as follows:

Hunger strike deaths are subject to the law of diminishing returns. The tenth death caused less publicity and less mayhem on the streets than the first. Anyway, since two families have already called off the hunger strikes of their sons and a third looks ready to do likewise, the campaign is beginning to crack.

If the British Government continues to refuse political status to the prisoners, then in a few years time ultimate victory will be theirs because the hunger strike weapon is the Provisionals last political card.

Break the hunger strikes and the Provisionals will have no means of generating huge international sympathy.

The argument also runs that they can never again be the military force they were. The army and the police are gradually winning the war of attrition and the Republic is more co-operative on security, so in a couple of years the Provisionals will be a spent force.

In the meantime it is valid to question whether Mrs Thatcher has actually counted the cost of the by-election battle she has just lost. The two communities are polarised in a way they have not been for 10 years.

Perhaps the most important point of all is that relations with the Republic have been greatly damaged. Dr Garret FitzGerald, the Irish Prime Minister, has let his anger and irritation with Mrs Thatcher show. He feels that there was a basis for a solution in the Irish Commission for Justice and Peace.

However, while there is no solution his position is extremely difficult. Dr FitzGerald feels strongly that the hunger strikes and the support they are generating and the way the Provisionals have capitalised on them is a destabilising influence on the Republic, and not just for his Government, although it is a factor. He is kept in power by a handful of unreliable independents. One by-election in Cavan Monaghan is due towards the end of this year and there could be another if Mr Paddy Agnew TD (MP) for Louth, who is not on hunger strike but is in the Maze, resigns his seat.

If both seats went to the Opposition Fianna Fail party the coalition's majority would be seriously eroded.

While the hunger strikes continue, Dr Fitzgerald feels he cannot move on the important constitutional developments he feels are necessary in Northern Ireland. He believes that with his personal background (his mother's family is from Ulster) and his political background (his party, Fine Gael, recognised the treaty establishing Ulster), he is better placed than his predecessor to move on Ulster. With hindsight there was probably not as much substance in the Anglo-Irish initiative between Mrs Thatcher and Mr Haughey than once seemed the case. But it was a start.

The five demands of the H-Block protesters have never explicitly included a claim for political status. They have also been modified over time. Essentially they are as follows:

- **The restoration of full remission. This can amount to 50 per cent of a sentence for conforming prisoners.**
- **An increase in letters, parcels and visits.**
- **The right to wear their own clothes.**
- **The right of freer association among themselves.**
- **The right not to undertake prison work, as presently defined by the authorities.**

MRS THATCHER'S DILEMMA

THE NEXT week or so would be a good time in which to replace Mr Humphrey Atkins as Secretary of State for Northern Ireland—or alternatively, to confirm him in office.

It is not that Mr Atkins has been a bad Viceroy, for the job does carry vice regal powers. On the contrary, he has been fairly popular, especially in the Irish Republic. The problem is that, as a patient man, he reached the conclusion that nothing much can be done to resolve the Irish question for at least another generation. He no longer believes, if he ever did, in dramatic initiatives.

Mrs Thatcher's dilemma is to know whether or not Mr Atkins is right. If he is, there would be no harm in confirming him in office. It would be the confirmation of an admittedly unsatisfactory status quo.

On the other hand, Mrs Thatcher's Government is now in mid-term. If there is to be a new initiative — for example, another Sunningdale now is the time to think about mounting it. To leave it closer to the general election would be too late, quite apart from the way that the situation in Ireland, north and south, might deteriorate in the meantime.

The man most likely to succeed Mr Atkins is Mr James Prior, the Secretary of State for Employment, whom Mrs Thatcher might want to replace for other reasons. Mr Prior has been showing some interest in the job.

He could have a very strong team. Mr Barney Hayhoe, the present Minister for the Civil Service, who worked with Mr Prior in opposition and who has a considerable knowledge of Ireland, could go with him. Mr Prior's No. 2 at Employment, the Earl of Gowrie, also understands the subject and would no doubt welcome the challenge.

It remains an open question whether the Prime Minister wants to make Ireland a priority or is prepared to rely on the existing policy of at best containment. If she were bold, she would move, just as she once moved on Rhodesia. At the very least, she ought to end the present uncertainty.

Malcolm Rutherford

MEN AND MATTERS

Sole proprietor

Political observers looking for Thatcherism in action could do worse than light upon management buy-outs: first the company painfully goes bust: then the incentive-riddled management borrows up to the hilt to start it up again.

The latest example of this increasingly common phenomenon is at Mansfield Shoe, part of the crashed Norvic Securities, with cash coming from the National Coal Board pension fund. And I gather from the joint receivers Michael Jordan and Richard Stone of Cork Gully that there is hope for other parts of the group.

Another management buy-out is on the cards for a small part of the group's Norwich operation, while interest has also been expressed in Norvic Children's Shoe.

Over at Oxley, the printing and platemaking group which went into receivership last week, management of at least one subsidiary are thought to be keen on discussing a buy-out with the receiver, Ian McIsaac of Touche Ross. The irrepressible Robert Maxwell, meanwhile, has telephoned to express interest in Carlisle Web Offset.

Back at the NCB pension fund, Jonathan Thornton of the fund's investment team says the phone has not stopped ringing with propositions over the last two months. Of the fund's £300m annual cashflow, £10m a quarter is channelled into companies struggling to survive

Cibl's new man

As John Botts takes over the chief executive's job at Citicorp International Bank in London from legendary founding father George Putnam, he may take some comfort from the thought that whatever new travails await him, they are unlikely to surpass the ones that he has put behind him.

For Botts is, at 40, one of a small group of international bankers in whose hands frequently come to rest the problems of debt rescheduling for ailing Third World countries. He moves to the new job from heading up the Middle East and African corporate finance department at Cibl—pronounced "Sybil"—and he has been particularly closely involved in the lengthy and frequently nerve-wracking negotiations on rescheduling Turkey's debt, which has involved some 40 banks in the largest such operation prior to that called for by Poland.

Putnam, meanwhile, is retiring from Citicorp at 60 and moving to San Francisco. There, he becomes executive vice-president in charge of merchant banking at Crocker National Bank currently being stalked by Britain's Midland.

Botts promises that Cibl will be keeping its head high in the syndication of international Eurodollor loans, while developing its corporate finance work with particular emphasis on international merger and acquisition. And he adds that, despite the colds caught by many banks in the Eurobond market, Cibl will be devoting if anything more resources on sales and trading in this area.

Time and space

Bad news for George Foulkes, the Labour MP who declared war in spring on electronic games of the "Space Invader" type which he accused of stimulating truancy and petty crime. A London company called Advance Products is taking the galactic battleground out of the amusement arcade and on to the wrist with the distribution of a digital watch which, at the touch of a tiny button, throws up an absorbing frame or two of "Cosmic Wars."

While the watch is not due for a formal launch until next month, I was able to secure one to conduct my own field-testing among various city habitues, the results of which do much to bear out any suspicions you may have harboured about the mental disposition of the men who hold the purse-strings of the nation. The gleeful cluster which rapidly assembled around the tiny screen resolvd itself into a tense three-cornered match—the illuminating outcome of which was Treasury 3; Hambros 0; BAT Industries 112. Another resounding triumph for British industry.

If the thing does have a drawback — apart of course from endemic truancy and petty crime — it is that it enlivens play with a succession of electronic squawks and bleeps rendering it quite unsuitable as a diversion during tedious committee or Board meetings. Worse still awaits those who distinguish themselves as Cosmic Warfarers — when a score of 1,000 is notched up, the watch salutes the victor with a 30-second electronic fanfare.

"Productivity seems to be rising"

Fowl is fare

Remember the "churkey," launched in a fanfare of publicity last September to a open-mouthed audience at the Savoy? It is no more. The bird hath flown. The composite turkey/chicken developed by Buxted, part of the Imperial Group, would seem to have failed to tickle the fancy or even ruffle the feathers of the fowl-broiling British consumer.

One of the difficulties was turning the shopper on to what might at first glance appear to be a form of genetic mutation—not in itself an appealing thought. The truth was slightly different, to the disappointment of some of those who gathered for the Savoy launch. "Some people might have thought it was a cross between a chicken and a turkey," explains Buxted, "which in many ways it was, but in the sense of kitchen preparation rather than breeding nastiness." What the churkey actually comprised was "a small three-and-a-half to five pound turkey which we had marinated in hen-stock."

This rara avis could be found in a half-dozen Sainsbury stores and the odd Tesco, but after failing to take off with the Christmas market, Buxted had a tough time getting it widely stocked.

Next out of the Buxted hatchery will be a self-basting turkey. The churkey, meanwhile, has been "temporarily shelved." The company is keeping up a brave face. "We are positive that the concept was good, and that the product was good. It had a very wide acceptability when tested," says Buxted, while admitting reservations about the name. There are, I gather, definite plans to re-launch it under another monicker—"Phoenix," perhaps?

No kidding

Car trade wits are taking a close interest in the pregnancy of Ching Ching, the London Zoo panda — awaiting, I gather "the patter of tiny Fiats . . ."

Observer

Disposal of radio-active materials is now a management problem for the Environment Secretary, reports **David Fishlock**, Science Editor

Clearing nuclear waste 'with commonsense'

NUCLEAR WASTE is neither a scientific nor a technical problem any longer, according to Mr Michael Heseltine, Secretary for the Environment, and the man responsible for safely disposing of Britain's nuclear waste. It is a *management* problem: one that will be solved by "systematic application of known technology and sound commonsense."

Mr Heseltine knows well enough that this view is not yet shared by the public or at *least by a vociferous section of* it, such as those who have been trying to stop the dumping by the Gem of another few hundred tonnes of radio-active laboratory trash *on to* the Atlantic Ocean bed, 2.5 miles deep.

But it is a view founded on the results of the biggest research programme *in* his department, costing over £10m this year. Next year his department may authorise a second vessel to expand sea dumping.

The problem of radio-active waste landed in the lap of Mr Heseltine's predecessor, Mr *Peter Shore, following* publication, just five years ago, of the Flowers report.* This report was critical of what it saw as neglect of the longer-term problems arising from radioactive wastes from a fastgrowing nuclear industry. It also urged that government responsibility for nuclear waste should be placed in hands independent of those responsible for the nuclear programme, and that a new state-owned company should be created to dispose of radio-active waste.

For opponents of nuclear *energy, frustrated by their* failure to make any previous case stick, the Flowers report was a heaven-sent opportunity. It opened an issue that they had *largely overlooked. What* is more, the report said that there should be no commitment to a large programme of reactors "until it has been demonstrated beyond reasonable doubt that a method exists to ensure the safe containment of long-lived highly radio-active waste for the indefinite future."

But what were the unsolved problems? Nuclear wastes arise *in Britain* in more than 100 different ways, as solids, sludges, liquids and gases. Yet some substances that the public has been strongly encouraged to call "*nuclear waste*" are *in* reality highly valuable substances. One is the concentrate *of plutonium* nitrate recently shipped from Dounreay to Barrow to be remade into nuclear fuel. Another is spent nuclear fuel, valued at up to £120,000 a tonne *for its unburnt* uranium and plutonium fuel

Spent nuclear fuel, transported by British Rail under continuous surveillance by microwave link, is constantly under attack.

But much of the radio-active *waste from hospitals is hauled* away without fuss and burnt by private waste disposal contractors.

Senior civil servants in Mr Heseltine's department, guided by an advisory committee—as the Flowers report also recommended—have spent the last three years trying to unravel the national accumulation of nuclear wastes from the 100-odd different streams of nuclear *waste by the year 2000.* The picture that is emerging is a far cry from that presented by opponets of nuclear power. The quantities are not large when *compared with, say, domestic* refuse or wastes from the coal or steel industries. And the radio-activity decays with time, unlike the toxicity of arsenic, *antimony or dioxin, to name* some extremely poisonous chemical wastes.

What is more, the national inventory of radioactive waste *will not alter greatly if the* Government decides it must greatly expand the nuclear power programme. But it might differ in detail depending, for example, on which kind of reac*tor formed the bedrock of a big* expansion. The pressurised water reactor (PWR) produces five times as much intermediate-level waste during operation as the *advanced gas-cooled reactor* (AGR), but only one-fifth as much radioactive waste when eventualy dismantled, because it is so much smaller.

Their conclusions are that, contrary to the impression left by the Flowers report, the technology of radioactive waste management is not lagging behind the development of nuclear activities.

True enough, a technology *originally explored by Harwell* for solidifying the most highly radio-active waste stream had been shelved at the time of the Flowers report. It has since been *revived by British Nuclear* Fuels, which is also able to take advantage of the fact that the French have now convincingly demonstrated a closely-related technique for turning radio*active effluent into ingots of* glass. As ingots, they will occupy one-fifth of the volume and cannot leak.

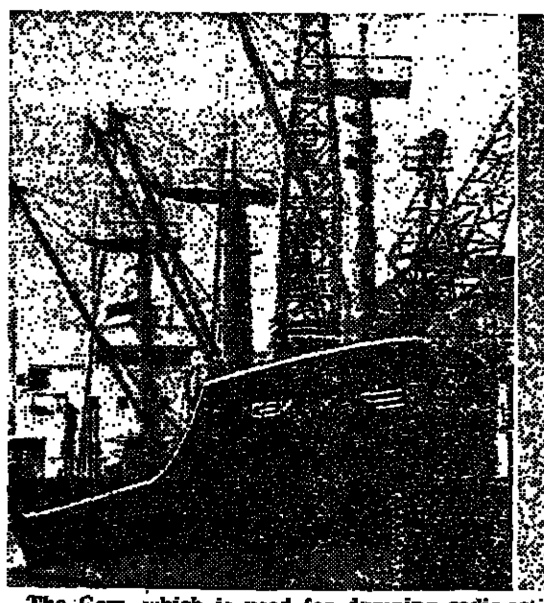
A 1,000 MW reactor running *for a year will yield about* 4 cubic metres of this glass. Its equivalent as a boiler burning coal makes 1m tonnes of fly ash.

The highly radioactive reprocesing effluent contains over 99.9 per cent of the fission products produced in nuclear reactors, and by far the greater part of the radioactivity from nuclear power. Moreover, the Environment Department believes that the technology of solidifying the waste has been demonstrated "beyond reasonable doubt"—above all by the French.

What is becoming clear, however, is that it would be much *more sensible to plan to store* these ingots safely, just as liquid effluent is being stored at present, than worry ton much at this stage about their final disposal. If stored, with *forced cooling, for the next 50* years or more at reprocessing plants, the heat these ingots radiate by radio-active decay will have faded to a level where it *no longer* is a significant engineering problem. Thus the whole problem becomes much simpler.

In 50-100 years it will be time enough to put the ingots in a permanent resting place, such as deep in a salt mine or *a repository excavated in* granite or beneath the seabed.

Does this mean that the boreholes which Mr Heseltine has announced will be drilled *throughout Britain to examine* the integrity of specific rock structures for their suitability as repositories for nuclear waste can be abandoned? In *almost every case the very idea* of test-boring has been vigorously assailed as the thin end of a highly emotional wedge called radio-active waste dumping. The Scots—rich in granite—have been particularly incensed by the test-boring programme.




The Gem, which is used for dumping radio-active waste in the Atlantic Ocean. Next year, Michael Heseltine may authorise a second vessel for the task

The official view is that the Government still needs the scientific data from boring to help shape its long-term planning of waste management. *It recognises that it may well* have to contest almost every application at a public inquiry, as it has done at three of the eight sites so far selected. It argues that, since there is no urgency, the public inquiries will give it a golden opportunity —not always afforded by the local Press, for example—to present the Government's case *on radio-active waste.*

"The problem of radio-active waste management is resolving itself into one of manageable proportions," says one senior *civil servant.* "We've not flushed out any problems at the front end of science, no big *unknowns. It's very largely* a morass of practical problems."

The picture emerging from the national inventory of nuclear wastes is that, although *the highly radio-active,* heat-producing effluents from reprocessing at Windscale and Dounreay are the nastiest waste streams, the bigger problem will be the far more voluminous but much less radio-active wastes.

The Government's problem is not how to find a solution, but how to choose the best solution. For some, "best" in this context means the lowest radiation *impact on people; for others,* it means the lowest cost. The Environment Department plans to manage raido-active wastes just as it manages other pollu*tants, namely to press for radia*tion levels "as low as is reasonably achievable."

The choice has to be made quickly, for the inventory suggests that Britain must start construction of a new disposal facility for non-heat producing radio-active waste in the next couple of years. This will be the first of perhaps five such facilities, probably tailored to different kinds of waste, by the end of the century.

One particular "political *thicket," as Ministers see it,* is the future of sea dumping of radio-active waste. Sea dumping is used for wastes of relatively low and carefully specified radio-activity, low especially in plutonium contamination, for instance. The amount of waste *being dumped each year is only* a few hundred tonnes.

Some nations—the Scandinavian ones, for example—are opposed to sea dumping. Another decision for the Environment Secretary before the end of 1982 will be whether to expand British facilities for sea dumping—including buying a new vessel to assist the Gem—or to make extra provision for burial on land.

*The Environment Depart*ment believes, however, that there is still plenty of scope for reducing the amount of radio-active waste produced per kilowatt-hour of nuclear electricity, and also for minimising some of the more troublesome characteristics of present-day waste streams.

They say they would like to see the nuclear industry "eating more of its own waste." Other industries take care of about 50 per cent of their hazardous wastes, with the rest handled mainly by private contractors, leaving local authori*ties to cope with only about* 2 per cent.

The Flowers report recommended creation of a new state-owned company "charged with responsibility for the safe disposal of all waste arisings at *nuclear sites.*" *So far the* Government has resisted this idea, in favour of leaving the responsibility to "secure and ensure" that the job is done *properly in the hands of the* Environment Department. But Mr Heseltine stresses that the convention "the polluter pays" must apply to the nuclear industry no less than to other UK industries.

Nevertheless, he is urging greater involvement by the private sector in nuclear waste disposal. He points to a growing market for the technology involved, arguing that the private sector is more likely to respond to it successfully, since it "can contribute very important skills and attitudes."

Two private waste disposal contractors, Rechem International and Effluent Disposal, already have incinerators for low-level radio-active waste. Companies have also been showing interest in transporting such waste to licensed sites for disposal. The department also claims an encouraging response to advertising earlier this year for private-sector bids to participate in research for its radio-active waste programme.

**Sixth Report of the Royal Commission on Environmental Pollution. Cmnd. 6618. Nuclear power and the environment.*

MAIN TYPES OF NUCLEAR WASTE

Type	Source	Characteristics
Low-level waste	Hospitals, research laboratories	Beta and gamma (sometimes alpha) radiation. No heat.
Intermediate-level waste	Nuclear power stations, research laboratories, reprocessing plants	Beta and gamma radiation and/or alpha rays. No heat.
High-level waste	*Spent fuel reprocessing plants*	*Gamma rays. Much heat.*

Letters to the Editor

Mr. Lawson and the critics

From the Financial Secretary to the Treasury

Sir,—Your columnist Anatole Kaletsky, in his Lombard article (August 21) "Mr Lawson and the critics" somewhat intemperately takes issue with *me on two main grounds.*

In the first place he complains that, in using a cricketing analogy when asked for a quick reaction to the recent pronouncement by Professors Hopkin, Miller, and Reddaway, I failed to treat it with the *gravity it deserved. That is a* matter on which there is clearly more than one view, even within the distinguished ranks of Financial Times columnists: *I see that Mr Samuel Brittan,* writing about the professors' statement in his Economic Viewpoint article the previous day (August 20), commented that "Any policy statement which begins with the words 'The economic policies of the present Government have been the principal cause of the recession from which our economy is now suffering' cannot be taken seriously."

In the second place and (to use his own words) "more *importantly,*" Mr *Kaletsky* claims that by responding in this way I "was foregoing an excellent opportunity to explain and justify what the Govern*ment thinks it is doing," and* that this was further evidence of the Government's failure to explain its economic policies to the public. He chooses to ignore the fact that only *three* weeks previously (July 30) I had taken a rather better opportunity to explain the Government's economic strategy, in a lengthy speech at Oxford, the full text of which was released to the Press.

To quote Mr Michael Foot's favourite author: "There's none so blind as they that won't see" —and none so deaf as they that won't hear.

Nigel Lawson, MP.
The Old Rectory,
Stoney Stanton, Leics.

Industrial democracy

From the General Secretary, Iron and Steel Trades Confederation

Sir,—I would like to make it clear that the Iron and Steel *Trades Confederation, Britain's* main steel union, is not "withdrawing its nominees" (August 20) for the Board of the British Steel Corporation. Quite the *contrary.* We shall not rest until our two nominees take their seats on the board, and that is why I have asked Mr James Prior, the Employment Minister, to intervene.

The facts are these: Three years ago the Government *appointed six employees* board members on to the main board of BSC. Their term of office *expires this month: new em*ployee board members have to be appointed.

In May, individual unions in steel were asked to submit nom*inations. In June,* the Iron and Steel Trades Confederation elected its two nominees from nominations submitted by branches. The two names were *forwarded to the Secretary of* State for Industry. In July, BSC informed us that the two new names were unacceptable. Ian MacGregor, BSC chairman, *wished the present ISTC* board member to remain in office for a further term of office and *believed that the second "ISTC* seat"—vacated by an ISTC member in poor health—should remain unfilled. Mr Norman Tebbit tells me that Sir Keith supports BSC's chairman.

Mr MacGregor's interference *in democratic procedures can*not go unchallenged. The Government can of course decide to end the employee board member scheme. That is its prerogative.

But if there is to be the continuance of such a scheme, in the name of industrial democracy, then the trade unions must be left to choose their own nominees. This is a matter of *principle that ought to be* settled quickly.

As a matter of fact, we chose not to re-nominate our existing board member, a Scot, as we wished to have two new men from different parts of the UK. *It was certainly time that our* Welsh members had a vote on the board. But that, surely, is a matter for us, not for the chairman of BSC.

W. Sirs.
Iron and Steel Trades Confederation.
Swinton House,
324, Grays Inn Road, WC1.

Local authority spending

From the Chairman, Industry Sub-committee, Leeds City Council

Sir, — At the same time as Lothian Regional Council is in the front line of local authority cuts in public expenditure, the comments of a fund *manager* after the Toxteth tour make interesting reading (August 14). The Environment *Secretary appears to be insist*ing that fund managers exercise social conscience and abandon normal commercial investment criteria and yet simultaneously *the same Secretary of State is* drastically cutting down local authorities' rate support grant. It certainly is clear to one of the fund managers that industry and commerce want to go to areas "with sound environment," "good communications" and an "*adequate* supply of stable workers." He even goes as far as to express the view that "unless there is a real prospect of adequate housing, *schools, hospitals* and other social amenities," then there is little point in building factories and offices.

Recognising that local auth*ority spending on housing* the workforce, educating and caring for workers and their families, as a contribution to the *social* costs of industry and commerce has long been a factor in the argument for an increase in public expenditure, precisely ignored by Mr. Heseltine. As the fund manager makes absolutely clear Mr Heseltine can't have it both ways. He *cannot* simultaneously demand severe cuts in the rate support grant which disable local authorities from tackling the issues of employment, housing and environment in inner city areas, and at the same time hope that *private investment* alone will respond to his appeal to their social conscience. Perhaps the Government *will insist that* part of the institution's massive *annual* cash flow should be invested to regenerate decaying urban economies, but then if the Labour Party were to propose this, Mr Heseltine would be *in the forefront* of upholding purely financial market criteria.

It may however, need more than a fund *manager* to make it clear to Mr Heseltine that local authorities are by no means overspending and in practice their expanding programmes *could well contribute to solving* precisely some of the problems we are faced with in inner city areas.

(Councillor) John D. Battle.
4, Norwood Grove, Leeds.

Rate support grants

From the Leader Lincolnshire County Council

Sir,—Please may I comment *on Gareth Griffiths' article* August 18 in which he reports on Mr Tom King's view that large urban areas lost too much rate support grant in the cur*rent year.*

Clearly, the extraordinary variations between authorities shown in the table are unacceptable. The warts are showing up *on the new block grant* and these anomalies can and must be corrected by refining the components of the assessment.

I object strongly, however, to the reference that Tom King thanks a grant loss of 6.5 per cent for London authorities is too much and should be reversed. Between '74 reorganisation and the current year, Lincolnshire County Council has lost about 20 per cent of its grant (£25 per head) to urban *areas. If we read the Minister's* provisional proposals for next year correctly, we are astonished to find that we stand to lose a further 1.2 per cent *or £3.75 per head.* I am beginning to despair that Ministers will ever understand rural deprivation or recognise the lower standards of pupil-teacher ratios, nursery schooling, homes for the elderly etc., which the average shire county *provides compared with London* and the big cities.

Added to this the special urban aid programme was £21.4m in 1976/77 and increased to over *£100m* in 1981/82—far ahead of inflation and just one more example of continuing urban preference.

Counties like Lincolnshire have consistently tried to follow Government expenditure guidelines but it begins to look *as though the recognition of* our endeavours may well be another kick in the teeth. Perhaps we are not just loyal but stupid as well.

(Dr) D. Guttridge,
Members' Room,
County Offices, Lincoln.

The Companies Bill

From Mr N. Baker, MP

Sir,—The Companies (No. 2) Bill implements the European Commission fourth directive which harmonises the form and content of company accounts within the European Community. The directive introduces *a distinction, new to our* law, between accounts which are drawn up and those that are open for inspection by being placed on the public file. Furthermore the directive permits member states to provide for certain exemptions in respect of *both types of* accounts.

I believe that there are strong arguments for exempting the smallest companies from preparation of full audited accounts. The Government however, by not taking advantage of the exemptions permitted by the directive on audit *and for the accounts drawn up,* which in the UK are circulated to shareholders, has ensured that full audited accounts will continue to be prepared by all trading *companies. These* accounts will therefore continue to be available and can be provided if necessary by the company to all those with a legitimate interest in them.

For the accounts which are filed the *Bill* provides that medium-sized and small independent private companies may, if they so wish, publish less information. For medium-sized companies the exemptions are relatively modest—turnover and trading margins may be omitted; for small companies they are more extensive—only an abridged balance sheet and notes have to be filed. The rea*son for these exemptions* is not as some imagine simply to save paperwork or for administrative convenience. Rather it is, as Mr Dauris (August 13) says *very pungently in his letter,* that full public disclosure places the smaller company in a disadvantageous position as compared to its larger competi*tor who, due to its size and the* diverse nature of its operations, does not reveal in its published accounts such commercially confidential material as its smaller *competitor. The Bill redresses* this present imbalance. In deciding whether to take account of the accounting exemptions it allows, smaller *companies will certainly decide* for themselves how their credit position may be affected.

Of course before 1967 private companies were not required to file any accounts at all. The pendulum then swung to the other extreme and all companies, that is both the husband and wife small incorporated business and our largest multinationals, are presently subject to virtually the same statutory disclosure requirements. The Bill seeks to achieve an equit*able balance between these two* opposite ends of the spectrum.

It does this by means of accounting exemptions which are designed to establish a better and fairer relationship between the legitimate interests *of both preparers and* users of company accounts. As such I believe they should be welcomed.

Nicholas Baker.
House of Commons, SW1.

Different operations

From the Finance Convenor, City of Edinburgh District Council

Sir,—The cartoon on Page 14 of your issue of August 14 was amusing although rather optimistic — Lothian councillors are not noted for their humility. There was however an inaccuracy of detail which may cause confusion.

Lothian is a regional council (approximately the equivalent of an English county), not a *district council as the office* door in the cartoon declared. The City of Edinburgh District *Council is under very different* management and organises its finances to obtain the best possible combination of efficiency and economy. We have no con*nection with the firm across the* road.

John G. R. Crombie,
City of Edinburgh District Council.
City Chambers,
High Street, Edinburgh.

Today's Events

GENERAL

UK: Merseyside County Council's police committee discusses anti-police march in which 16 *police officers were injured.* Liverpool.

Princess Anne takes the salute at the Edinburgh Military Tattoo.

Hearing of an application by Mr William Stern for discharge from bankruptcy, London Bankruptcy Court.

Conveyor Exhibition and Conference opens, Harrogate (until August 27).

International Solar Energy Society forum and exhibition continues, Brighton (until August 28).

Overseas: Mr Menachem Begin, *Israeli Prime Minister,* and Mr Ariel Sharon, Defence Minister, arrive in Alexandria at start of two-day visit to Egypt to meet President Anwar Sadat.

EEC wine management committee meets, Brussels.

Voyager II spacecraft reaches nearest point to Saturn.

International Exhibition of Agriculture, Machinery and Produce opens, Mexico (until September 2).

International Association for Hydraulic Research for Asia and the Pacific third congress continues, Bandung, Indonesia *(until August 26).*

OFFICIAL STATISTICS

Department of Employment publishes August provisional figures for unemployment and unfilled vacancies.

COMPANY MEETINGS

London and Midland In*dustries, The Portman Hotel,* Portman Square, W, 12.00. John Swan, New Mart Road, Georgie, Edinburgh, 4.00. Wheway Watson, 101, Sutton New Road, Erdington, Birmingham, 10.30.

COMPANY RESULTS

Final dividends: Crouch Group, Robert M. Douglas Holdings, ML Holdings, Restmor Group. **Interim dividends:** American Trust, Fairclough Construction Group, Fife Forge, Hongkong and Shanghai Banking Corp, London and Scottish Marine Oil, Philips Lamp Holdings, Queens Moat Houses. **Interim figures:** Charterhouse Petroleum, Johnson Matthey (first quarter figures).

LUNCHTIME MUSIC, London

Duo: Petronella Dittmar and Richard Coulson, St Lawrence Jewry, Gresham Street, 1.00 pm.

Bach's 48 Preludes and Fugues played by Harold Dexter (organ), St Botolph Aldgate, 1.05 pm.

UK COMPANY NEWS

W. N. Sharpe improves to £2.6m and raises interim

TAXABLE PROFITS of W. N. Sharpe Holdings, the Bradford-based manufacturer and publisher of greetings cards, improved from £2.22m to £2.61m in the first half of 1981 on turnover also higher at £7.58m, compared with £7.28m.

The directors say that the group's trading to date is following closely the planned pattern envisaged in the last annual report.

Despite some continuing lack of buoyancy in demand, they expects results for the year as a whole to be "quite satisfactory."

The pre-tax surplus for the half-year included investment income of £371,256 (£277,865) and was subject to tax of £1.35m (£1.15m).

Stated earnings per share rose from 14.6p to 17.3p and the net interim dividend is being stepped up by 0.5p to 3.5p per 25p share—last year a final of 4p was paid

● comment

The shares of W. N. Sharpe rose 55p yesterday to 410p, where they have almost doubled in value since the beginning of the year. Sharpe's trading performance has been eminently satisfactory, but scarcely surprising: turnover is slightly higher, and trading margins have shifted up from 27 to 30 per cent (well within their historic range). Sharpe is still generating cash at a handsome rate and increasing dividends only in line with earnings. So the cash mountain which was given away to shareholders in 1978 has reappeared. The prospective yield is under 3 per cent (with historic cover of about 5 times). Persistent buying in a thin market may be anticipating another capital distribution, or perhaps a bid. But there is no news to support the idea of a cash hand-out, and as the company is now capitalised at £30m—more than twice tangible assets—any chance of a bid would seem to have receded.

Alexanders Holdings slides to £27,000

TAXABLE PROFITS of Alexanders Holdings slumped from £199,000 to £27,000 in the six months to March 31 1981 on turnover down £3.2m at £16.1m. Earnings per 10p share are stated at 0.02p as against 0.37p last time.

The pre-tax profits of this Glasgow based holding company for UK Ford main dealerships were struck after a credit of £68,000 for interest capitalised and the tax charge amounted to £14,000 (£103,000).

Last year profits before tax came out at £590,000 (£743,000) on turnover of £38.09m (£30.1m) and there was a one-for-four scrip issue, in which £484,253 was capitalised out of reserves.

Attributable profits for the first half of the current year emerged at £40,000 (£34,000) after an extraordinary credit of £37,000 (£138,000) which included an exchange difference credit of £19,000 and compensation received for its Rosemount property of £25,000.

The directors say trading conditions caused a reduction in profit margins on the sale of vehicles, both private and commercial. They add that customers are tending to keep vehicles longer before replacing them and this has also affected the contract hire division where a number of existing contracts have been extended rather than new ones entered into.

However, the parts sales and workshop operations have not suffered to the same extent, they say.

Historically, the second half of the year has been more profitable than the first and the directors anticipate that this will again be the case.

Blagden & Noakes plunges £1.2m after six months

AFTER FALLING from £5.65m to £2.59m last year, pre-tax profits of Blagden and Noakes (Holdings) showed a further sharp decline in the first half of 1981, plunging to £926,000 compared with £2.1m in the corresponding period of 1980.

The directors say it is difficult to forecast the likely trend of events between now and the end of the year, but they expect the second half figures to show an improvement over those for the first six months.

They are maintaining the net interim dividend at 3p and say the total distribution for the year will depend on both profit and liquidity. Last year's total was 6p.

Turnover of the group, which manufactures steel containers, chemicals, plastic mouldings and industrial protective equipment, fell from £31.11m to £28.99m in the first half.

The surplus was struck after higher interest charges of £281,000 (£164,000) and an associate company's loss of £7,000, compared with a profit of £4,000.

Attributable profits emerged at £509,000 (£885,000) after tax charges of £204,000 (£796,000) and minority profits of £215,000 (£414,000). Earnings per 25p share are shown down from 8.3p to 4.8p.

In general terms, says Mr A. R. Sparrow, chairman, the group's most difficult period of trading during the recession was the six months from October 1980 to March this year, but since then there has been a significant improvement.

The packaging division performed satisfactorily in the first half in view of the circumstances, he states, and the chemical division more than held its own. A new formaldehyde plant is expected to boost chemical profits over the remainder of the year.

● comment

Profits have slumped again at Blagden and Noakes, but the company is arresting the slide. Second-quarter pre-tax profits were some £700,000 against £200,000 in both the first quarter and final quarter of last year. The company hopes to maintain the second quarter performance and turn in pre-tax profits for the year of £2m to £2¼m against £2.59m in 1980. These predictions are based on signs of improvement in the metal drum and chemical divisions. The plastic moulding business remains moribund as a result of its dependence on the motor industry. The chemical manufacturing division is in losses, but a new formaldehyde plant is now on-stream and should contribute to profits in the second half. The decline in whisky sales has dropped the group's whisky cask business into the red. However, the company's balance sheet remains strong and the shares, up 4p to 116p, have a prospective yield of 7.7 per cent, assuming the final is maintained.

Macdonald Martin down at midterm

PRE-TAX profits of Macdonald Martin Distilleries dipped from £530,100 to £464,400 for the half year to June 30 1981 although turnover edged ahead to £7.29m, compared with £6.62m.

The interim dividend is being maintained at 3p net per 50p A share—last year a final of 8.5p was paid from taxable profits of £1.16m (£1.53m).

The pre-tax figure for the half year was struck after lower interest charges of £576,600 against £612,300.

In his last annual statement the chairman said the outlook for 1981 was difficult to forecast. De-stocking, he said, still had some way to go and until this was completed the directors could not look forward to a worthwhile upturn in trade combined with realistic profit margins.

He was hopeful that the recession would ease later this year. If this was so he expected the company to have a better year.

RIGHTS RESULTS

The shareholders of New Court Resources have taken up 3,241,588 rights units (97.2 per cent). The anticipated first day of dealings in the new ordinary shares and warrants will be September 24.

Meanwhile the shareholders of Buckley's Brewery have accepted approximately 94.8 per cent of its recent rights issue.

Management and staff buying out Mansfield Shoe for £0.35m

BY CHRISTINE MOIR

THE MANAGEMENT and staff of Mansfield Shoe Corporation, part of the collapsed Norvic Shoes group, have bought out the Nottinghamshire subsidiary with help from the Coal Board pension funds and a bank loan.

Yesterday Mansfield's managing director, Mr Reg Pointer, and his three executive directors announced that they were putting up £50,000 towards buying the company from the receiver for £350,000. Other staff have indicated that they would also put up a total of £25,000.

The £75,000 raised from the management and staff will give them control of about 55 per cent of Mansfield, the assets of which are the short lease on the Nottinghamshire factory, its plant, work in progress and goodwill.

The National Coal Board pension funds have also invested £200,000 in the buy-out, by way of an equity and loans package. The Coal Board will end up with about 30 per cent of the equity for a price of £40,000. Its remaining £160,000 has been provided in the form of a loan secured against the assets.

A private trust company has also taken a 15 per cent stake in Mansfield.

The remainder of the £350,000 purchase price was raised through a bank loan.

The rescue package was the result of six weeks of talks between Mr Michael Jordan, the receiver brought in by Barclays Bank in early July to manage the whole of Norvic. Yesterday Mr Jordan of accountants Cork Gully, said that the management had paid "a satisfactory price." The new company has also agreed to sell the stock of about 150,000 pairs of shoes on behalf of the receiver "in the normal course of business."

Mansfield was one of the few parts of Norvic which was still profitable when the group called in the receiver, after losing more than £400,000 in the six months to June. At that stage Norvic's total borrowings were £4m but net worth was £1.3m.

The pension funds' involvement in Mansfield forms part of its policy of investing directly in smaller companies. Mr Hugh Jenkins, director general of investments for the funds, aims to invest 15 per cent of the cash-flow of the funds in such opportunities. To date £115m has been invested directly in industry in this way, in many cases through financing management buy-outs.

Yesterday the pension funds said that Mansfield offered a "sound" investment opportunity which should "earn good profits."

The 300-strong workforce was made redundant last Friday ahead of the reorganisation, but Mr Pointer said he hoped to offer 70 to 80 per cent of the workforce fresh employment this week, and would build up factory strength as business improved.

Mr Jordan, Norvic's receiver, also confirmed yesterday that he was negotiating with other Norvic management in two separate arrangements about the possibility of buy-outs for different parts of the group's main Norwich factory.

Poor second half leaves Smith Whitworth lower

AFTER RECOVERING from a loss to a profit at the interim stage Smith Whitworth fell back sharply in the second six months and for the year as a whole to March 31 1981 its taxable surplus emerged at £76,847, compared with £96,330.

In their interim report the directors warned that the first half performance would not be repeated in the second half—for the period pre-tax profits slumped from £184,999 to £3,649.

Mr T. W. Borges, the chairman, says in the existing climate the results must be considered "very satisfactory."

However, he says he cannot express optimism as far as the current year is concerned. He states: "I regret that the adverse trading conditions since the year end will make a loss for the first half of the year inevitable."

The chairman adds that the outlook for the full year is dependent upon factors over which the board has no control.

Stated earnings per 5p share for the past year declined from 2.64p to 2.58p and there is again no ordinary dividend—the last payment was 0.3p net for 1978-79.

Turnover of the group, which manufactures textile machinery, steel fabrications and plastic products, slipped from £2.93m to £2.38m.

The pre-tax surplus was after depreciation and interest of £107,834, against £73,519.

Tax credits amounted to £28,712 (£11,650).

The attributable balance came through at £46,432, down from £110,955, after extraordinary debits of £59,127, compared with credits of £2,975.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: American Trust, Anglo American Industrial, Charterhouse Petroleum, Fairclough Construction, Fife Forge, Hongkong and Shanghai Banking, Philips' Lamps, Queens Moat Houses.

Finals: Crouch Group, Robert M. Douglas, M.L. Holdings, Reatmor.

FUTURE DATES

Interims—	
Biddle	Sept 9
British Vita	Sept 1
House of Fraser	Sept 9
Invergordon Distillers	Aug 31
Phoenix Assurance	Sept 2
Reckitt and Colman	Sept 8
Steetley	Sept 17
Wimpey (George)	Sept 24
Finals—	
Barratt Developments	Sept 22
Saville Gordon (J.)	Aug 26
Stewart Nairn	Sept 3

Southend Stadium unchanged

OPERATING receipts of Southend Stadium slipped from £292,664 to £270,308 in the first six months of 1981 and the pre-tax surplus came out little changed at £67,384 against £69,481.

The directors say that although there is no clear indication yet that the slump in the greyhound racing industry has bottomed out, the company's property division is enabling it to weather the recession.

For the whole of last year, taxable profits were £147,100, up from £145,288, and a single net dividend of 0.43p (0.427p) was paid.

Phoenix Timber expects return to profitability in current year

ALTHOUGH LOSSES at the Phoenix Timber Company have continued in the first quarter of the current year, they are on a very much reduced scale and Mr A. B. Gourvitch, the chairman, is expecting the group to return to profitable trading in the second six months.

As reported on August 8, the group dived to a pre-tax loss of £2.56m for the year to March 31 1981, against profit of £520,000 previously, and turnover fell from £44.55m to £37.81m. The final dividend is being omitted and the interim of 1p net compares with the 1979-80 total of 5p per share.

Economies in establishment expenditures have continued and net savings are now running at the rate of £1.25m for a full year, Mr Gourvitch tells members in his annual statement. However, the main savings have been achieved by redundancies and early retirements.

A number of properties were sold during the year producing some £570,000 and several major sites at Rainham, Essex, have been offered for sale. Realisation of these properties will enable the group to reduce bank borrowings substantially and consequently its interest costs.

At the end of March, group bank advances (secured) had increased from £3.16m a year earlier to £5.[illegible]m. Net current assets were down from £6.32m to £3.75m, while fixed assets were up £1m to £7.39m. Shareholders' funds dropped from £9.95m to £8.14m.

The group's interests cover the importing and merchanting of timber and sheet materials, wharfinging, saw milling, manufacturing, processing and ancillary services.

Outlook for Bamfords unsecured creditors

UNSECURED CREDITORS of Bamfords, the agricultural machinery manufacturer which went into voluntary liquidation last year, could receive a final dividend "slightly in excess of 50p in the £" according to a report of the joint liquidators to creditors and shareholders.

The payout is subject to further realisations and expenses being in line with the joint liquidators estimates.

The liquidators say that arbitration continues on a dispute involving the company and Kvernelands Fabrik A/S the Norwegian manufacturer of agricultural equipment and former supplier to Bamfords. The claim lodged by the company is in excess of £1m. "As this claim is being contested by the defendent no prospective benefit for creditors has been provided for." Hearings under the arbitration procedure are scheduled to take place during the course of 1981-82.

Some 50 cases are pending in respect of claims for unfair dismissal made by certain employees in respect of the termination of their employment prior to the date of liquidation.

Since the commencement of the liquidation the liquidators have made "strenuous efforts" to sell the business but have been unsuccessful in "concluding a sale at a consideration which we and the committee of inspection consider to be adequate."

The total estimated deficiency is put at £5.24m at Bamfords.

Kraft Prods. slips further into the red

In the six months to June 30 1981 Kraft Productions, the Somerset based furniture manufacturer slipped further into the red and taxable losses of £72,775 as against £57,458, on turnover down from £740,000 to £519,000.

Last year the company incurred pre-tax losses of £70,871 (£65,373) on turnover of £1.33m (£1.58m).

The interim dividend has again been missed—the last payout was made in 1978. Losses per 10p share are stated at 7.28p (5.75p). There was no tax charge (same).

HALES PROPS.

In his annual review, Mr R. J. Hales, the chairman of Hales Properties says that current figures reflect a satisfactory profit level for 1981-82 and the board anticipates that it will be able to maintain a dividend of not less than 4p per share.

MEPC acquires two major development sites in U.S.

MEPC American Properties has completed the acquisitions of two major sites for development in Dallas, Texas.

The first is a joint venture with TRC Partners, the Dallas-based subsidiary of TSI Inc., a Clint Murchison Jnr. family enterprise, to acquire 85 acres adjoining the University of Dallas and the Texas Stadium. The land fronts Highways 183 and 114 and is approximately midway between downtown Dallas and the Dallas/Fort Worth international airport.

The joint venture will develop an office park complex with ancillary hotel and retail accommodation and development will commence in 1982.

The second acquisition is of a 13-acre site for office devlopment in the Quorum, a 167-acre office-hotel-retail complex in north Dallas.

The MEPC site is located directly across Dallas Parkway from the 1.3m sq ft Prestonwood Town Centre, a regional shopping mall featuring Neiman-Marcus and Lund and Taylor department stores.

Retained architects are formulating specific development plans with a view to commencing the project early in 1982.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Blagden and Nokes int.	3	Oct 5	3	—	6
Macdonald Martin ...int.	3	Oct 2	3	—	11.5
Malayan Tin‡ ....int.	15	Oct 6	235§	—	380§
W. N. Sharpe ....int.	3.5	Oct 23	3	—	7

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ On M10 sen shares—Malaysian sen throughout. § On MS1 shares.

IN BRIEF

PARKFIELD FOUNDRIES—Turnover for 53 weeks to April 2, 1981, £4.75m (£5.51m). Pre-tax profit £106,022 (£367,722). Tax £42,012 (£198,639). Attributable £145,465 (£297,484) after extraordinary credits £81,455 (£125,401). Earnings per share 3.1p (5.6p). Final dividend 0.525p making 0.875p (same). CCA pre-tax profit £73,075. Board states that although difficult trading has persisted into current year the outlook has improved and both foundries have returned to full-time working during August. If present level of output can be maintained level of output can be maintained level of profitability should be restored.

COWAN, DE GROOT (toys, electrical goods, giftware)—Results for year to April 30, 1981, reported August 5. Shareholders' funds £11.94m (£11.83m), fixed assets £5.24m (£5.00m), net current assets £11.02m (£10.79m) including bank overdrafts of £3.71m (£3.53m). Meeting, Abercorn Rooms, EC, September 11 at noon.

SPAIN

August 21	Price	+ or —
Banco Bilbao	369	+2
Banco Central	391	
Banco Exterior	302	
Banco Hispano	308	+3
Banco Ind. Cat.	131	
Banco Santander	410	+2
Banco Urquijo	226	
Banco Vizcaya	339	+3
Banco Zaragoza	230	—4
Dragados	218	
Espanola Zinc	81	+1
Fecsa	72	—0.5
Gal. Preciados	52	+2
Hidrola	64.5	+1.0
Iberduero	63.5	+1.5
Petroleos	128	+1
Petroliber	65	
Sogefisa	54	
Telefonica	65	+2.5
Union Elect.	72.7	+4.5

1980-81 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
113	100	ABI Hldgs. 10pc CULS	113	—	10.0	8.8	—	—
76	39	Airsprung	71	+ 1	4.7	6.6	11.3	15.6
52	21	Armitage and Rhodes	44	+ 1	4.3	9.8	3.7	8.3
200	92½	Bardon Hill	198	—	9.7	4.9	9.6	11.7
104	88	Deborah Services	103	—	5.5	5.3	5.1	9.7
126	88	Frank Horsell	106	—	6.4	6.0	9.5	23.0
110	39	Frederick Parker	64	—	1.7	2.7	27.8	—
110	64	George Blair	64	—	3.1	4.8	—	—
99	93	IPC	99	—	7.3	7.4	7.1	10.8
113	59	Jackson Group	107	—	7.0	6.5	3.4	7.6
130	103	James Burrough	125	+ 1	8.7	7.0	9.1	11.5
334	244	Robert Jenkins	308	—	31.3	10.2	4.3	10.9
59	50	Scruttons "A"	59	—	5.3	9.0	9.1	8.4
224	183	Torday	188	− 1	15.1	8.0	7.2	12.5
23	8	Twinlock Ord.	13	—	—	—	—	—
90	68	Twinlock 15pc ULS	76	—	15.0	19.7	—	—
56	35	Unilock Holdings	37	—	3.0	8.1	6.6	11.2
103	81	Walter Alexander	93	—	6.4	6.9	6.1	10.8
263	181	W. S. Yeates	235	—	13.1	5.6	4.5	9.0

THE TRING HALL USM INDEX

127.7 (−0.5)

at close of business 24/8/81

BASE DATE 15/11/80 100

Tel: 01-248 5675

CORAL INDEX

Close 555-560 (−5)

OIL INDEX

October Refined $41.70

December Refined $43.00

BIDS AND DEALS

Saint Piran housebuilding purchase

BY MICHAEL CASSELL

Milbury Estates, the Manchester-based housing development subsidiary of Saint Piran, has agreed to purchase the housebuilding division of Dares Estates.

Milbury is 86 per cent owned by Saint Piran and the shares of both have been suspended since May when Saint Piran came under the control of Mr Jim Raper's Gato.

Milbury is making an all-cash payment for Dare Developments, the group's housebuilding operation which is concentrated on the south coast and develops in an area stretching from Poole to Southampton. Last year, the company built 20 houses and a 1981 total of 10 has been projected. Seven sites are currently in the course of development. Three sites owned by the company are to be retained.

The book value of developments is £600,000 and in its last financial year Dare Developments incurred a pre-tax loss of £62,000. The group as a whole recorded a pre-tax loss of £37,000 against a £341,000 profit in the previous 12 months.

Payment will be based on the net value of developments as shown in audited accounts to be made up on September 30 1981 involving an initial sum of £1.1m and a balancing payment—*estimated at £200,000*—upon finalisation of the accounts.

In addition, Milbury will also pay approximately £1.1m to Dares Estates to settle existing intergroup indebtedness. The purchaser will at the same time assume responsibility for secured overdrafts and loans of £1.6m.

The sale represents the culmination of a five-year programme to convert Dares—which was rescued from the remains of the Stern property empire—from what was principally a housebuilding operation into a commercial development and investment group.

Mr David Sidi, managing director of Dares, said the deal would improve the group's liquidity and reduce borrowings and enable it to accelerate the *planned expansion of its* property development and investment activities.

Mr Sidi said that Dares would not be pulling out of the housing development market altogether. It would no longer be involved in "day-to-day housebuilding" but it intended to assemble development land, to instal basic services and then sell on to builders.

The company has established a new subsidiary, to be called Dare Developments (UK), which will be headed by Mr R. G. Herbert-Smith, the present managing director of the company being sold to Milbury, which will carry out development projects in the south of England.

For Milbury, the acquisition will provide it with a southern housing market to help balance its northern activities. In the year ending March 31, 1981 turnover reached £10.89m against Dares' £4.85m, while Milbury pre-tax profits fell from £1.82m to £1.22m. News of the sale left Dares shares the same at 23½p.

Consortium bids 2p a share for Viners

Viners, the loss-making Sheffield cutler, has received a bid worth 2p per share, valuing the company at £116,000, from a consortium.

As yesterday's bid was announced, with the Viners' Board accepting the terms, it was revealed that in the six months to June 1981, Viners incurred losses before tax of £1.3m compared with a profit of £1,000 for the first half of the previous financial year.

The bid price of 2p compares with the June suspension price of the shares, on the announcement that talks were in progress, of 15p.

The consortium, headed by Mr and Mrs Lucius Andrew and consisting of Principality Holdings, a private investment company in which Mr Peter Breach and his family have a major interest, intends to mount a rights issue on the bid becoming unconditional which will raise "not less than £1.25m." The rights issue will be underwritten by the consortium.

Mr Andrew is a U.S. citizen, living in Seattle. On a number of occasions in the past he has taken a major interest in recovery opportunities. Once his consortium has acquired the group he is to become deputy chairman.

Mr Breach is a chartered accountant and among his other interests has a holding in James Dixon and Sons of Sheffield. He will become chairman.

The offer is conditional inter alia on acceptances being received for more than 50 per cent of the ordinary share capital.

In addition, before the deal goes unconditional the consent of the holders of 4.2 per cent preference shares of the company will be required to increase the borrowing limit from one times to three times consolidated share capital and reserves. As a consideration for this consent preference shareholders will be offered an increase in the net coupon from 4.2 to 4.9 per cent.

The Board of Viners and their *families hold in aggregate* 2.65m shares (45.7 per cent). It was a condition before the offer was made that the Board and their families should accept the offer in respect of at least 1.86m of such shares and additional shares up to a total which would enable the offer to become unconditional.

In addition three institutional shareholders, Royal London Mutual Insurance Society, the I.T.C. Pension Trust and funds under management of the Prudential Corporation, holding in aggregate 15.4 per cent of the equity, have undertaken to the consortium that in the event of acceptances of the offer, including the board and their families holdings, failing to exceed 50 per cent of the ordinary share capital, they will make up the shortfall in proportion to their shareholdings.

For the year ending December 1980 Viners' turnover was £12.67m compared with £11.15m. The group made a loss before taxation of £103,673, compared with a loss of £104,339, after taking into account the exceptional profits resulting from the disposal of surplus silver stocks in the early part of the year. Consolidated net assets at book value at December 31 1980 were £4.2m.

Accounts will be dispatched to Viners' shareholders at the same time as the offer document. Yesterday it was said that the accounts have been drawn up on a going concern basis "on the assumption that adequate facilities will continue to be provided by the company's principal bankers."

It was stressed that this is itself "dependent on certain conditions, principally that the offer is declared unconditional, that the sum of £1.25m of new capital is introduced into the company and that the company's borrowing limits are increased.

"The company's bankers have indicated that provided the offer becomes unconditional and the sum of £1.25m is committed to the company by September 30 1981 and certain other banking conditions are met, they will continue and increase the facilities currently available to the company."

Since the first quarter of 1981, Viners has suffered from a downturn in sales, particularly in the UK, which has traditionally been its most important market, combined with substantial pressure on profit margins.

The company was forced to adopt a programme of short-time working and to make over 100 employees redundant during the second quarter of the year. Since that time it has announced further redundancies at its Sheffield factory.

The board of Viners said that it considered the consortium's proposals "to be in the best interests of the company."

Beazer renews attack on Westbrick record

C. H. Beazer has renewed its attack on the trading record of Westbrick. In a letter to Westbrick shareholders, Mr C. H. G. Beazer replies to the arguments in rejection of Beazer's 75p cash *bid and explains why he thinks* the offer should be accepted.

Beazer notes that the Westbrick rejection document gave no information about present trading and concludes that the Westbrick Board was trying to avoid telling shareholders that "the dismal record of recent years is likely to continue."

Westbrick is said to have misrepresented the nature of the Beazer's business: Beazer had considerable depth of management experience in manufacturing and its record showed that past acquisitions had been successfully integrated and strengthened.

Westbrick would not lose custom as a result of becoming a part of Beazer.

In response to the statement that the offer does not enhance employment prospects in the South West of England, Beazer notes that Westbrick reduced its labour force by 120—out of 874—during the year to March 31 1981.

Westbrick is criticised for failing to mention that its 1978 dividend was 48 per cent lower than the 1977 payout.

"In view of Westbrick's profit record and in the absence of any indication of profitability for the current year, shareholders can have little confidence that the forecast dividend will be sustained in the future."

The value of the offer is an increase of 27.1 per cent over the price of 59p at which Westbrick was trading on July 9, the day before Beazer acquired its Westbrick shares.

It represents a fully-taxed p/e of 16.5 on the pre-tax profits for the year to March 31 1981, and a p/e or 178.6 when applied to the profit after extraordinary items.

Westbrick's defence rested in part on the asset backing of its shares, 121p per share at March 31. Beazer's says the true value of assets is reflected by the profits those assets generate—£38,000 last year after extraordinary items.

Mr Beazer believes the offer represents a generous price for the shares and an opportunity to dispose of a company whose record profits were achieved in 1973.

Westbrick shares were unchanged at 82p.

Thomson Magazines sells technical publications

Northwood Publications, a subsidiary of Thomson Magazines, is selling a number of its titles in order to concentrate on a smaller number of major areas.

Benn Brothers is to pay £365,000 *for* the publications Print and Promotion, Printing Today, Penrose Annual, Paper Facts and Figures, and Newspaper Report.

The magazine Catering Times is to be sold to IPC Business Press and Packaging Today to Ad Media, *a subsidiary of Beere* Hobson Associates.

Negotiations are also under way for the sale of Brewer's Guardian, Hospital Equipment and Supplies, Hospital Development, Export Direction, Factory Equipment News and Consulting Engineer.

Mr Michael Mander, chief executive of Thomson Magazines, said some of the titles to be sold were valuable properties, but not compatible with the *group's* development plans.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	400	—	—	5	70	—	—	$423
GOLD C	425	16	29	—	—	—	—	"
GOLD C	450	—	—	86	34 A	—	—	"
GOLD C	475	2	11.50 A	22	23 A	—	—	"
GOLD C	500	10	7 A	4	16 A	—	—	"
GOLD P	375	1	6	—	—	—	—	"
GOLD P	400	—	—	1	14	—	—	"
GOLD P	425	17	18 B	5	20 B	—	—	"
		Oct.		Jan.		April		
		Sept.		Dec.		March		
GM C	50	—	—	10	2½	—	—	$47⅜
ABN C	F.30	—	—	10	7.30	—	—	F.292
AKZO C	F.220	10	3.60	—	—	—	—	F.25.20
AKZO C	F25	50	1.60	—	—	—	—	"
AKZO C	F.230	165	0.50	99	1.80	10	2.80	"
AKZO P	F.250	50	0.40	—	—	—	—	"
AKZO P	F25	22	0.90	—	—	—	—	"
AKZO P	F.250	—	—	15	2.90	—	—	"
HEIN C	F50	—	—	10	2.50 B	—	—	F.46
HOOG C	F.150	10	1.70	—	—	—	—	F.17.80
KLM C	F10	42	7.50	—	—	—	—	F.105
KLM C	F20	17	4.50	29	9.80	—	—	"
KLM C	F30	13	2.20	—	—	—	—	"
KLM C	F40	—	—	46	4.50	—	—	"
KLM C	F50	10	0.90	28	2.80	—	—	"
KLM P	80	25	1	—	—	—	—	"
KLM P	90	30	1.90	—	—	—	—	"
KLM P	F00	58	5	—	—	—	—	"
KLM P	F10	23	11 B	10	13.50	—	—	"
KLM P	F20	12	17.50	—	—	—	—	"
NEDL C	F40	6	30 B	—	—	—	—	F.167
NEDL C	F50	12	22	—	—	—	—	"
NEDL C	F60	130	15.50	8	19.50	—	—	"
NEDL C	F70	125	10.30	18	15.50	—	—	"
NEDL P	F50	—	—	10	4.50 A	—	—	"
NEDL P	F50	95	4.40 A	14	5.50	—	—	"
NEDL P	F70	65	7	10	8 B	—	—	"
NATN C	F15	14	5.20	—	—	—	—	F.115.20
NATN C	F20	8	3.50	—	—	—	—	"
NATN C	F30	10	0.70	—	—	—	—	"
PHIL C	20	—	—	10	5.50	—	—	F.23.80
PHIL C	F.250	40	2.70	61	3.80	—	—	"
PHIL C	25	765	1.30	47	2.20 B	158	3.20	"
PHIL C	F.250	22	0.40	67	1.20	—	—	"
PHIL P	F.250	—	—	21	1.10	—	—	"
PHIL P	25	10	1.50	21	2.30	—	—	"
RD C	80	12	11.80 A	45	13.70	—	—	F.91.50
RD C	90	340	4.50	40	6.50	—	—	"
RD C	F00	311	1.40	16	3.20	—	—	"
RD C	F10	166	0.40	—	—	—	—	"
RD P	80	100	1.20	33	3.50	—	—	"
RD P	90	107	4.40	15	6.40	—	—	"
RD P	F00	40	10.50	—	—	—	—	"
UNIL C	F60	—	—	12	7.20	—	—	F.158.60
UNIL C	F70	—	—	14	5	—	—	"
UNIL P	F60	25	4	—	—	—	—	"
UNIL P	F70	37	11.50	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 4180

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %	■ Guinness Mahon	12 %
Allied Irish Bank	12 %	■ Hambros Bank	12 %
American Express Bk.	12 %	Heritable & Gen. Trust	12 %
Amro Bank	12 %	■ Hill Samuel	§12 %
Henry Ansbacher	12 %	C. Hoare & Co.	†12 %
AP Bank Ltd.	12 %	Hongkong & Shanghai	12 %
■ Arbuthnot Latham	12 %	Knowsley & Co. Ltd.	12½%
Associates Cap. Corp.	12 %	Langris Trust Ltd.	12 %
Banco de Bilbao	12 %	Lloyds Bank	12 %
BCCI	12 %	Mallinhall Limited	12 %
Bank of Cyprus	12 %	Edward Manson & Co.	13 %
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Beneficial Trust Ltd.	13 %	Norwich General Trust	12 %
Bremar Holdings Ltd.	13 %	P. S. Refson & Co.	12 %
Bristol & West Invests.	13 %	Ryl. Bk. Canada (Ldn.)	12 %
Brit. Bank of Mid. East	12 %	Slavenburg's Bank	12 %
■ Brown Shipley	12½%	E. S. Schwab	13 %
Canada Perm't Trust	13 %	Standard Chartered	‖12 %
Cayzer Ltd.	12 %	Trade Dev. Bank	12 %
Cedar Holdings	12 %	Trustee Savings Bank	12 %
■ Charterhouse Japhet	12 %	TCB Ltd.	12 %
Choulartons	12 %	United Bank of Kuwait	12 %
C. E. Coates	12 %	Whiteaway Laidlaw	12½%
Consolidated Credits	12 %	Williams & Glyn's	12 %
Co-operative Bank	*12 %	Wintrust Secs. Ltd.	12 %
Corinthian Secs.	12 %	Yorkshire Bank	12 %
The Cyprus Popular Bk.	12 %		
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Grindlays Bank	†12 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10% and over £50,000 11%.

‡ Call deposits £1,000 and over 9%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10½%.

LONDON TRADED OPTIONS

August 24. Total Contracts 1111. Calls 1012. Puts 99.

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	280	38	2	44	—	56	—	314p
BP (c)	300	20	—	34	31	44	—	"
BP (c)	320	12	33	24	—	—	—	"
BP (c)	350	6	1	13	—	—	—	"
BP (p)	380	2½	—	6	3	—	—	"
BP (p)	280	4	4	9	—	16	—	"
BP (p)	300	11	9	17	—	24	—	"
CU (c)	180	8	5	13	7	16	—	166p
Cons. Gld (c)	500	40	11	63	—	73	—	518p
Cons. Gld (c)	550	15	5	37	18	45	—	"
Court'lds (c)	80	½	—	2	30	—	—	63p
GEC (c)	800	28	1	58	—	87	1	784p
Gr'd Met. (c)	180	22	6	34	2	—	—	199p
Gr'd Met. (c)	200	9	10	22	—	26	—	"
Gr'd Met. (c)	220	3½	34	13	25	14	12	"
Gr'd Met. (p)	200	13	—	17	2	20	—	"
Gr'd Met. (p)	220	26	—	30	17	32	—	"
ICI (c)	280	11	5	26	10	30	10	282p
ICI (c)	300	5	4	15	7	21	—	"
ICI (c)	330	1½	—	7	10	—	—	"
Land Sec. (c)	336	17	2	27	—	—	—	337p
Mks & Sp (c)	140	5	22	9	5	16½	—	134p
Shell (c)	330	54	1	66	—	—	—	378p
Shell (c)	360	28	—	44	2	54	5	"
Shell (c)	390	14	50	24	2	34	—	"
Shell (c)	420	6	75	16	17	22	—	"
Shell (p)	390	26	1	30	—	34	—	"
Shell (p)	420	48	2	52	27	54	1	"
		August		November		February		
Barclays (c)	420	42	6	55	—	72	—	460p
Barclays (c)	460	4	6	27	1	45	—	"
Imperial (c)	60	2	13	5	82	8	8	65p
Imperial (c)	80	¼	10	¾	—	1½	—	"
Lasmo (c)	550	42	3	80	—	112	—	587p
Lasmo (c)	600	10	7	50	6	84	1	"
Lasmo (c)	650	2½	9	27	6	57	—	"
Lasmo (c)	700	½	5	13	2	—	—	"
Lonrho (c)	90	1	11	5½	—	9½	—	89p
Lonrho (c)	100	¼	4	2½	101	5	—	"
Lonrho (p)	90	1½	10	7	10	8	—	"
Lonrho (p)	100	1½	3	16	4	17	1	"
P & O (c)	110	5	—	11	10	15½	—	115p
P & O (c)	120	1	—	5½	19	10	—	"
P & O (c)	130	¼	—	2	30	5½	3	"
P & O (c)	180	¼	10	½	—	—	—	"
Racal (c)	390	80	4	98	2	110	—	470p
Racal (c)	420	50	2	73	—	90	—	"
Racal (c)	460	12	9	40	—	60	—	"
Racal (p)	500	—	—	30	—	38	—	"
Racal (p)	460	4	—	23	6	32	2	"
RTZ (c)	460	130	5	142	—	183	—	587p
RTZ (c)	500	90	3	109	24	147	—	"
RTZ (c)	550	40	63	74	7	107	—	"
RTZ (c)	600	4	55	49	1	85	4	"
RTZ (c)	650	—	—	32	6	43	—	"

C=Call P=Put

MINING NEWS

Charter to have 14% in Malaysian tin merger

BY KENNETH MARSTON, MINING EDITOR

TERMS are announced of another major mining merger, this time of the Malaysian tin groups, Malayan Tin Dredging and Malaysia Mining Corporation. The group's combined mining interests account for nearly one-quarter of the country's tin production including that provided by the many small operations.

These small "one man" mines, usually run by Chinese, tend to phase in and out, depending on the level of the tin price, but when this allows profitable operations their contribution is substantial. Excluding these small operations the combined Malayan Tin-MMC output would amount to around half the total.

After a series of deals has been successfully completed, the major owners of the merged company will be the Malaysian Government via its agencies with 56 per cent, London's Charter Consolidated with just over 14 per cent and the public with 29 per cent.

At this stage it is still possible that snags may occur, but it is generally assumed that all will go as planned and that the proposals will be approved at an extraordinary meeting of Malayan Tin on October 9.

Shareholders of Malayan Tin have been locked into their holdings since January this year when dealings in the shares were suspended at the company's request pending consideration of the merger proposals. It is now intended to request that stock exchange dealings in the shares be allowed again immediately after the coming extraordinary meeting.

Malayan Tin was enlarged last year by the merger with five other tin companies and is now declaring a first interim since then of 15 cents (3.5p) which will be paid on October 6 irrespective of whether the latest deal goes through.

The advantages of the new merger to holders of Malayan Tin can be summed up by pointing out that the plan has the active support and blessing of the Malaysian Government and they will be joining in the fortunes of a larger grouping from which the Government also seeks to benefit

They will also be participating via MMC in the big Kuala Langat tin development in southern Selangor, which is expected to reach production in 1985, and in the Ashton diamond venture in Western Australia; MMC has a 50.14 per cent holding in Australia's Ashton Mining which has a 38.2 per cent interest in the diamond venture.

It is also worth pointing out that Charter's holding in the enlarged Malayan Tin will amount to 62m shares. The market value, alone, of this will be considerable, even allowing *for the general decline that has* taken place in Eastern Tin shares since those of the existing Malayan Tin were suspended at a price of 114p.

The mechanics of the merger proposals are that the Malaysian Government agency, Permodalan (with 74.44 per cent of MMC) and Charter will sell their entire holdings in MMC to Malayan Tin. In return, Malayan Tin will issue 152.6m new shares in the company to Permodalan and 52.4m to Charter. That is stage one.

Stage two will bring the issue of a further 23.76m new Malayan Tin shares to Permodalan and 9.54m shares to Charter. This stage, however, is dependent on the conditions being fulfilled of an earlier agreement whereby MMC will purchase from Straits Trading a 42 per cent interest in Malaysia Smelting Corporation for M$41.8m (£9.7m).

A tale of two uranium mines

SHARPLY differing results come from two Australian uranium producers. Queensland Mines' earnings have expanded strongly while those of the Rio Tinto-Zinc group's Mary Kathleen Uranium have slumped, reports George Marshall from Sydney.

In the six months to June 30, 1980 Queensland Mines suffered a loss of A$6.28m (£3.86m) as a result of start-up costs at its small but high-grade Nabarlek mine in the Northern Territory. In the subsequent two six-monthly periods, however, there have been profits of A$12.83m and A$37.68m respectively.

In the full 18 months to June 30 last, therefore, the company *comes out with a profit of* A$44.23m but no dividend is being declared. Queensland Mines' latest results cover an 18-month accounting period because the company has changed its financial year-end from December 31 to June 30 in order to bring it into line with that of Pioneer Concrete.

Pioneer Concrete earlier this year gained control of Queensland Mines and the latter's 50 per *cent shareholder* Kathleen Investments via a controversial A$182m take-over.

Queensland Mines completed mining the ore body at Nabarlek in late 1979. Included in the company's A$93.6m turnover is the A$63.11m received from the Federal Government following the company's return of uranium borrowed from the Atomic Energy Commission stockpile.

The borrowed uranium dates back to the mining ban imposed under the Whitlam Government. The profit arising from the sales of the borrowed uranium were brought to account in the period under review, the company said.

Pioneer Concrete launched its takeover bid soon after the Nabarlek mill came on stream and just as Queensland Mines was finalising further sales of uranium oxide worth A$174m and was due to receive A$49m from the Federal Government.

Kathleen Investments, which holds a 50 per cent stake in Queensland Mines, did not fare as well. Before the latter's results were taken into account, Kathleen's profit rose only 9.5 per cent to A$1.38m from A$1.26m. The company is declaring a dividend of 2.5 cents (1.5p) to make 7.5 cents for an 18-month period.

Earnings for the half year to June 30 of the RTZ group's *Mary Kathleen Uranium have* dropped to A$1.72m from A$6m in the same period of 1980 when the year's total came out at A$11.16m.

During the latest half year there was a debit of A$4.37m for exceptional items arising largely from the reassessment of site rehabilitation costs. But there was also a tax readjustment resulting in a saving of A$3.5m.

Production of uranium oxide *in the half year was higher* despite a major strike, at 395.1 tonnes against 367.8 tonnes a year ago. Shipments, on the other hand, fell by 6 per cent, reflecting anti-nuclear actions on the part of seamen's union which is continuing.

Mary Kathleen Uranium says that because of continuing bans and threats by the seamen's union against the shipping companies only 258 tonnes of *uranium oxide have been made* since mid-February. As a result, by early-September there will be 151 tonnes valued at approximately A$11.5m awaiting shipment.

The company adds: "It is virtually impossible in the climate prevailing to arrange further shipments." So far the politically-inspired ban by the union has cost the company more than A$300,000 and as stocks *accumulate the rate of loss* increases.

Mary Kathleen Uranium is 51 per cent owned by CRA which which at present is 61.1 per cent owned by RTZ.

CANNING BASIN OIL/GAS PERMIT OFFERED

The State Government of Western Australia is offering a new petroleum exploration permit bordering the northern margin of the Canning Basin—the location of the recent Blina 1 oil discovery.

The 3,800 square mile area, designated 181-60, is regarded by the State Mines Department as containing potential petroleum source rock, reservoir rock and suitable cap rock, according to Mr Peter Jones, State Mines Minister.

Applications to prospect the area will close in three months.

ROUND-UP

Earnings for the half-year to June 30 of Rio Tinto Mining (Zimbabwe) have slumped to Z$557,000 (£420,377) from Z$2.76m in the same period of last year and no interim dividend is being declared. The 1980 total was Z$4.93m and dividends of 16 cents (12p) were paid. RTMZ has been hit by low metal prices, rising costs and the retrospective cancellation of the depletion allowance. A 56 per cent beneficial interest in the company is held by Rio Tinto-Zinc.

* * *

Falconbridge Nickel Mines will continue its financial support of its 65 per cent-owned Dominican Republic ferronickel subsidiary, the president, Mr H. T. Berry, told security analysts.

He said it expects to provide "adequate financial muscle to see the operations" at Falconbridge Dominicana through adverse periods. There have been reports that the company planned to write off its Dominican investment.

* * *

BHP, EZ Industries and Penarroya Australia will check *grades and distribution of the* Thalanga deposit, 60 kilometres south-west of Charters Towers.

Mills & Allen extends Letraset offer

In the past 10 days Mills and Allen International has received *acceptances representing only* 6,367 shares for its offer for Letraset. Together with Hambros Bank, its advisers, MAI acquired just under 15 per cent of Letraset in a market raid the day it announced its bid on July 8. Since then acceptances have brought the total up to 15.8 per cent.

MAI's offer has now been extended for a second time until September 4 to allow shareholders to assess the preliminary *figures for the 1980-81 year*, promised from Letraset on Friday.

ROBERT MAXWELL LIFTS BPC STAKE

Mr Robert Maxwell, deputy chairman and chief executive of BPC, bought 160,000 7½ per cent non-cumulative preference shares in the group.

ARAB ASIAN/UCM UNCONDITIONAL

The offers made on behalf of Arab Asian for United City Merchants have been declared unconditional and remain open until further notice.

Acceptances of the ordinary offer have been received in respect of a total of 31,859,919 shares. Prior to the announcement of the offer, Arab Asian owned 600,000 shares and has, during the offer period, acquired or agreed to acquire a further 350,000. In aggregate these shares represent approximately 93 per cent.

Acceptances of the preference offer have been received in respect of a total of 106,302 shares, representing some 96.6 per cent.

ASSOCIATES DEAL

On August 21, Cazenove and Co. bought 90,000 ordinary shares in Ofrex Group at 190p per share on behalf of Gallaher Investments.

APPOINTMENTS

Managing director of Target Life

Mr John Stone has been appointed as managing director of TARGET LIFE ASSURANCE COMPANY, a subsidiary of J. Rothschild and Co. He is currently a director of Vanbrugh Life. In addition Mr Paul Taylor is appointed to the board of Target Life as director, corporate planning.

*

Mr Dick Pringle, northern area manager, United Molasses Trading Company, has been elected president of the HULL CORN TRADE ASSOCIATION.

*

Mr David Brown, until recently managing director of Lego (UK), is joining TAMWADE from October 1. He will assume responsibility as managing director of Pedigree Dolls and Toys from January 1. Mr Ken Edey who has been with Pedigree since 1952 and managing director since 1973 will, from January 1 concentrate his activi*ties in assisting the group manag*ing director. Mr Richard Beecham, in seeking new opportunities for the Group in the field of acquisitions and products.

*

Mr Peter F. Mostyn, marketing director of Qualcast Garden Products Group, has been elected to the main board of the BIRMID QUALCAST GROUP.

*

Mr Bruce Ballantine has been appointed chief executive of Wm. Cory Trading, the solid fuel division of Wm. Cory and Sons following the restructuring of its management team. In the new structure, Mr. Balantine has overall responsibility for Cory's UK, international and technical activities. Mr Trevor Gurr, managing director of the UK operations and Mr Bryan Haigh, technical marketing director, both retain their current positions in the expanded business.

*

Mr Edward J. Grace has been appointed director for Europe, Middle East and Africa for the industry products company of WESTINGHOUSE ELECTRIC CORPORATION, at Twickenham.

*

The ALFA LAVAL COMPANY Brentford, has appointed the first woman engineer to manage a major department in its UK operation. Ms Caroline Cayzer has been promoted to manager of the separation department of the thermal and separation division.

*

Dr William W. Foster, a senior consultant with Unilever, has been appointed director-designate of LIRA, the Lambeg Industrial Research Association near Lisburn in Northern Ireland. LIRA's research programme includes work on linen and general textiles, polymer extrusion and processing, geo-textiles, catalytic methods of pollution control, flammability and thermal analysis as well as the provision of technical services for its members. The present director, Mr H. A. C. Todd, will be retiring in 1982.

*

Mr Nicholas Samuel has joined the board of MAYBORN PRODUCTS and its subsidiaries including Dylon International, as non-executive director.

*

Professor the Reverend Canon Gordon Dunstan has joined the council of the ADVERTISING STANDARDS AUTHORITY. He is F. D. Maurice Professor of Moral and Social Theology at King's College, London, where he has interested himself chiefly in the ethics of practice. He is a Canon Theologian of Leicester Cathedral.

TECHNOLOGY

EDITED BY ALAN CANE

PERA beats swarf nuisance

BY GEOFFREY CHARLISH

PROJECTS UNDER way at the Production Engineering Research Association (PERA), one of the country's biggest independent research and consultancy organisations, range from the reconstruction of metal swarf into solid metal parts to ways of improving throughput in drawing offices.

These and dozens of similar projects are all assuming increasing importance in the current climate of productivity improvement and cost-cutting.

PERA, with a staff of 400 and an annual income of over £5m, already advises some 2,000 manufacturing units in the UK, some of which have as few as 10 employees. Since its formation in 1946 the Association has completed some 350 major projects in areas such as the forming and cutting of metals, the application of plastics and composite materials, noise and vibration, joining and fastening, production systems, numerical control, materials and treatments—and including, of course, the two areas that have caught the public imagination, microprocessors and robots.

In the metals area, for example PERA has devised a process which, without a melt-down stage, will turn machine-tool swarf into metal components of integrity barely degraded from that of the same, newly-forged part.

Mr H. Dennison, who manages the materials forming and treatments department, says: "The fact that this process is *not* too good to be true is something we are still trying to impress on the minds of industrial managers."

Many big machine shops see swarf as a nuisance to be disposed of; but the fact is that with steel bar at £350 to £400 a tonne, machining utilisation of the metal averaging perhaps 50 per cent and swarf prices in the £25 per tonne region, any more immediate and cost-saving use of swarf ought to merit attention.

The PERA technique first reduces the swarf to a particle size of about one millimetre; then it compacts the material into a billet and either forges at 800 to 900 degrees C or extrudes the billet. By using a closed die technique forging with good surface finish and an accuracy in the two to three "thou" region are obtained.

Melting as such does not take place, but when the particles are forcibly rubbed against each other in the press, the inter-particle joints disappear.

Although PERA does not recommend such components for very-high-integrity applications—a few inclusions can occur in the finished product—it claims they can be machined and heat-treated like a normal forging. Savings of 50 per cent in total component cost are typical, says the association, and the process becomes even more worthwhile with non-ferrous metals.

The swarf output level needed from a machine shop to make the reconstitution process worthwhile is in the 100 to 500 tonnes / year bracket, depending on the type of component being made. Presses with capacities up to 60 tonnes/square inch are needed.

PERA is also intimately concerned with all aspects of metal removal, the optimisation of which is nowadays getting more and more difficult as machines, tools and materials become more diverse.

Clearly, machining performance is critically related to the resulting cost. At PERA, a data bank is being built up to cover the widest possible range of data such as cutting speed, tool feed rate, tool life, work material properties, make of cutting tool, cutting fluid and similar data.

Using this accumulated information, which is being updated by member companies continuously, software is being devised which will enable optimised machining data to be called up on a VDU screen.

The user will be able to select machining conditions (material, tool characteristics, etc.) using the keyboard and the actual machining performance will be optimised automatically by the software to yield a single combination of cutting conditions.

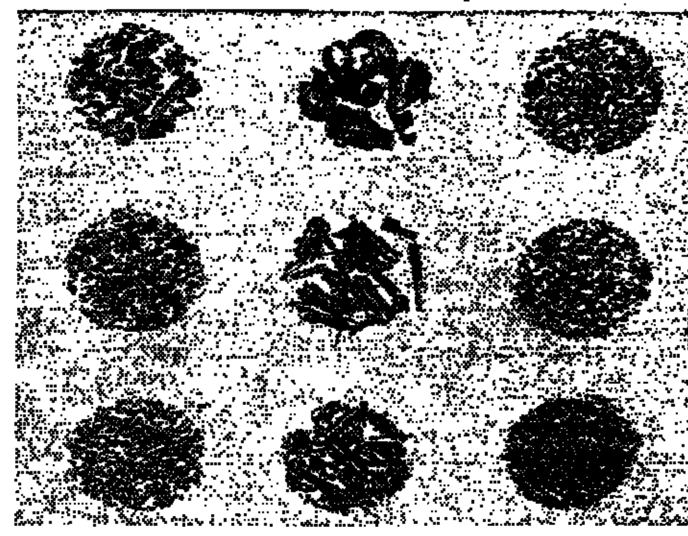
The machining process itself is always under close investigation at Melton Mowbray and one of the more dramatic outcomes has been the Cutfast process. By applying a hot plasma as well as the cutting tool to the work, turning operations can be accelerated some 40 times due to the heat softening effect. Only the small portion of the work removed by the tool in the form of a chip is softened, the bulk material remaining unaffected.

Before the part can be made, however, detailed drawings have to be produced for shop use, based on original design ideas. The Association having learned over the years that some 60 per cent of drawings describe turned parts, has devised a computer-based system called PADDS-PERA automatic detail drawing system.

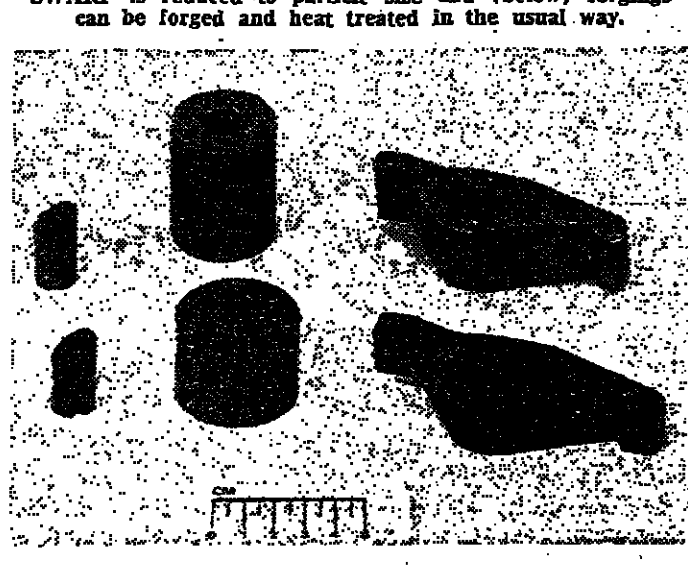
The draughtsman keys in basic shape and dimension details and the computer makes a drawing on the VDU screen. It then goes through a reverse evolution process to arrive back at the condition of supply of the metal blank, detailing the required turning or grinding operations that will be needed to produce the part from the blank.

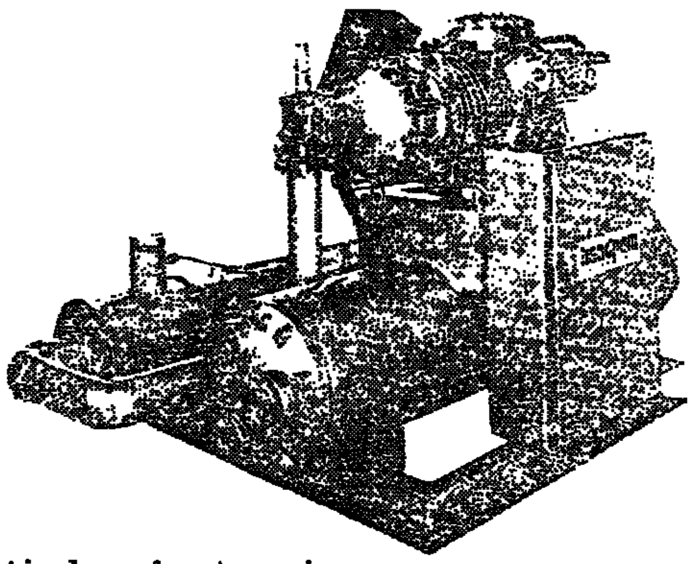
It will list, on the drawing, tasks to be allocated to available machine tools (details of which are held in the computer memory) and will also indicate which of a specific machine's cutting tools should be employed. It will even produce a time and cost estimate and, if needed, a numerical control tape.

The system is sold outright by PERA at a starting price of about £22,000. In one case analysed by the PADDS team it was estimated that over £7 per drawing could be saved and in another, where, to cope with increased work additional draughtsmen would have had to be taken on, the pay back time was put at about 18 months.



SWARF is reduced to particle size and (below) forgings can be forged and heat treated in the usual way.





Air dryer for Argentina

TRENDPAN ENGINEERING, Ewell, Surrey (01-394 2551) has developed this 1,000 CFM dehumidified air dryer. The air is dehumidified to the equivalent of minus 40 degrees C dewpoint moisture content. A dryer with a stainless steel drying hopper and a vacuum conveying system has recently been supplied to Pirelli Cables in Argentina for use with XLP polyethelene.

Have a quiet Coca Cola

THE PROBLEM of constant noise created by the high-speed "drop packer" plant at the Coca-Cola bottling factory in Shirley, Birmingham, has been solved by the installation of a special sound-proofed enclosure designed and manufactured by Tantalic Acoustical Engineering.

The new enclosure is linked to the Hushveyor system designed and installed by Tantalic earlier this year to silence the Coca-Cola bottling lines themselves. These lines have a daily throughput of 168,000 bottles, which fill 7,000 cases.

The "drop-packer" enclosure now fully commissioned, is claimed to have reduced the noise to an acceptable background operating level. The unacceptable 96 dBA noise levels generated by the packer came mainly from the infeed vibrators and the continuous sound of bottles dropping into plastic crates.

Since delays to high-speed packing in this critical area would cause a rapid build-up of bottles right along the line to the filler, Tantalic designed an enclosure which ensured both maximum visibility for the operators and quick access to the fast-moving bottling line itself.

Sliding and hinged acrylic doors, extending to the full height of the enclosure over the discharge end of the packer, ensured that maintenance could be completed with removing the acoustic enclosure, says Tantalic.

The enclosure is constructed of polished stainless steel panels each lined with a non-porous acoustic coating, and designed to withstand daily steam cleaning. Tantalic is on 29 56114.

Thermometric analysis unit

ONE of the first products introduced by Ultra Scientific and Design since its formation on July 1 from the amalgamation of Scientific and Educational Aids and Southern Designs is a thermometric titration unit which can also be used for enthalpimetric analysis. (Enthalpy is the thermodynamic property of a working substance and is useful in studying flow processes).

The instrument is based on the equipment designed by Professor L. S. Bark, of Salford University, and is claimed to be equally suitable for analysis, teaching and research.

The unit has a built-in peristaltic pump designed to deliver titrant at the rate of 6ml per minute with good reproducibility. The transistorised circuitry is based on a modular design concept enabling the results to be presented on a digital meter and/or a standard single-pen chart recorder.

Reliable temperature measurement is claimed to be assured by a thermistor probe giving almost instantaneous response time. The instrument is thermally insulated by mounting the titration vessel in an insulated matrix, thus eliminating errors due to thermal leakage. A built-in variable-speed magnetic stirrer is claimed to obviate risk

Say packaged and matured cheese

SUBSTANTIAL savings are not the most obvious benefits from improvements in the cheese making business, still a mixture of art and science, but this is claimed by Wincanton Engineering.

It has applied for a patent for a container for packaging a wrapped block of cheese while it is stored for maturing.

These blocks are often of rectangular shape, of 40 pounds nominal weight and after maturing they are cut into retail size vacuum packaged consumer portions.

Shape of natural objects is of great concern to the food industry—the blocks are best handled when of accurate uniform size with square corners and edges and close internal texture.

The new system is essentially an upper and lower moulded plastic cap with flanges arranged to retain four side panels around a vacuum package block of cheese so that while the side panels are accurately located, the top and bottom can move to retain compression on the cheese. More on 093 581 4151.

Argomiser reduces gas in welding

DESIGNED to reduce the amount of shield gas used in MIG and TIG welding the Argomiser has been designed and developed by a company of the same name at Burners Lane, Kiln Farm, Milton Keynes.

The company claims that the Argomiser, fitted as close as possible to the solenoid on the welding machine allows the operator to obtain a fine adjustment of the pressure of the shield gas but at substantially lower pressure. Argon savings of between 30 per cent and in some cases more than 50 per cent are suggested. Details from 0908 564707.

Safer exchangers

A CONSORTIUM to study the flow-induced vibrations which occur in arrays of tube bundles in industrial heat exchangers is now being set up by BHRA Fluid Engineering. Intended to provide useful data to enable designers to produce safer and more reliable shell and tube heat exchangers the consortium is the latest in a series of low-cost project proposed by BHRA.

Shell and tube heat exchangers are widely used in the process industries and in power generation. Since their heat transfer performance is obvious the first concern of the designers, less attention is paid to structural dynamics and the problems of fluid-induced vibration. These problems are likely to increase, for the need for better thermodynamic performance has led to the design of heat exchangers with closely spaced small-diameter tubes and faster fluid flow rates.

BHRA says that the costs of lost efficiency within the units because of tube failure, repairs and replacements are appreciable but the indirect cost of lost production and downtime spent on decontamination can be still higher.

Marconi 'families'

EIGHT "families" of ISO-CMOS telecommunications products are soon to be introduced by the Integrated Circuit Division of Marconi Electronic Devices. They will include such items as programmable keypad pulse dialers, 32-bit static shift registers, low-to-high voltage amplifiers, dual-tone multi-frequency decoders and filters.

Marconi says that the new devices are intended to enable the British telecommunications industry to compete with the Americans on equal terms. Small quantities are already available and the full production range will be marketed early next year. MED is on 0522 29992.

Dollar recovers

Dollar strengthened in thin late currency trading. It moved up sharply in the late afternoon on buying interest from New York and Chicago. Continental centres were generally closed for the day, and with only the U.S. and London open sterling tended to take the brunt of the selling to buy the U.S. currency. Euro-dollar interest rates were slightly firmer, but market sources suggested that much of the trading reflected profit-taking after the dollar's weakness on Friday.

Sterling lost ground to the dollar in late trading, and continued to weaken in New York after the end of European trading. It held up quite well against Continental currencies, however, showing little change against the D-mark, Swiss franc and French franc.

European currencies weakened against the dollar, with the French franc remaining at the bottom of the European Monetary System.

DOLLAR — trade-weighted index (Bank of England) was unchanged at 111.0. The U.S. currency closed around the highest level of the day against most major units. It touched a peak of DM 2.4740 against the D-mark, before finishing at DM 2.4725, compared with DM 2.4467½ on Friday. The dollar rose to FFr 5.9125 from FFr 5.8725 in terms of the French franc; to SwFr 2.1460 from SwFr 2.1285 against the Swiss franc; and to Y228.40 from Y227.15 against the Japanese yen.

STERLING — trade-weighted index (Bank of England) rose to 92.4 from 92.3, and stood at 92.4 throughout, but the last calculation did not reflect the late fall against the dollar. The pound opened at $1.8775-1.8785, and touched an early peak of $1.8800-$1.8810. The dollar's rise pushed sterling down to $1.8675-1.8685 in the late afternoon, and it closed at $1.8590-1.8610, a fall of 1.60 cents on the day.

D-MARK — The most consistently strong member of the European Monetary System, despite a softer tone in recent weeks. It fell sharply against the dollar, approaching a five-year low, before a wave of dollar sales improved the situation, although the picture is likely to change again just as abruptly given the high level of U.S. interest rates — The D-mark recorded mixed changes at the Frankfurt fixing. The dollar and sterling weakened, but several members of the European Monetary System and the Japanese yen were firmer. The dollar opened at DM 2.45, and was fixed at DM 2.4485, compared with DM 2.4643 on Friday. In the afternoon the U.S. currency improved to DM 2.4670, but the market remained acutely nervous about changes in U.S. interest rates. There was also some uncertainty ahead of publication of the West German July trade figures. Sterling fell to DM 4.5920 from DM 4.60 at the fixing, and eased further to DM 4.59 in late trading. Within the EMS the French franc improved to DM 41.80 from DM 41.67 per 100 francs at the fixing.

JAPANESE YEN — Weaker against the dollar in recent months because of the sharp rise in U.S. interest rates, but still underpinned by Japan's strong economic performance—The yen improved against the dollar in moderate Tokyo trading, and the Japanese unit also gained ground in terms of European currencies, amid reports of sales of sterling denominated bonds. The dollars raised from these sales were then converted into yen. Japan's strong economy continues to assist the yen, but the market remains uncertain about trends in U.S. interest rates. The dollar opened at Y227.50, and fell to a one-month low of Y226.65, before closing at Y226.90, compared with Y228.95 on Friday.

THE POUND SPOT AND FORWARD

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8590-1.8810	1.8590-1.8610	0.90-1.00c dis	−6.13	2.27-2.37dis	−4.99
Canada	2.2450-2.2640	2.2460-2.2480	1.73-1.83c dis	−9.51	4.45-4.65dis	−8.10
Nethlnd.	5.08½-5.12½	5.10-5.11	par-½c dis	−0.59	⅛-⅛ pm	0.29
Belgium	74.35-74.60	74.65-74.66	82-92c dis	−13.98	147-162 dis	−8.28
Denmark	14.38-14.43	14.39-14.41	7¾-9ore dis	−6.98	16-17⅛ dis	−4.70
Ireland	1.2519-1.2580	1.2540-1.2555	0.32-0.45p dis	−3.68	1.01-1.22dis	−3.55
W. Ger.	4.58-4.62	4.59½-4.60½	½pf pm-par	0.65	1¾-1½ pm	1.30
Portugal	122.00-124.00	122.10-122.40	50-140c dis	−9.32	165-365 dis	−8.67
Spain	183.20-185.00	183.30-183.60	85-125c dis	−7.19	255-290 dis	−5.94
Italy	2,285-2,300	2,286-2,288	42-44lire dis	−22.56	113-116dis	−20.03
Norway	11.34-11.40	11.34-11.36	2¾-1ore pm	1.72	5½-2½ pm	1.36
France	10.95-11.01	10.99-11.00	16-17c dis	−18.01	32-34 dis	−12.00
Sweden	9.71-9.79	9.71½-9.73½	1¾-2¼ore dis	−2.78	1½-2½ dis	−0.92
Japan	422-430	424½-425½	2.50-2.15y pm	6.70	7.10-6.70 pm	6.49
Austria	32.10-32.35	32.15-32.20	6¼-2½gro pm	1.53	15-5 pm	1.24
Switz.	3.98-4.02	3.99½-3.99¾	1⅞-1⅜c pm	4.88	5⅛-4⅛ pm	4.88

Belgian rate is for convertible francs. Financial franc 79.95-80.05. Six-month forward dollar 4.25-4.35c dis. 12-month 6.50-6.70c dis.

THE DOLLAR SPOT AND FORWARD

Aug 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8590-1.8810	1.8590-1.8610	0.90-1.00c dis	−6.13	2.27-2.37dis	−4.99
Ireland†	1.4835-1.4970	1.4835-1.4865	0.23-0.33c dis	−2.25	0.42-0.56dis	−1.34
Canada	1.2039-1.2081	1.2078-1.2081	0.24-0.29c dis	−2.63	0.89-0.94dis	−3.03
Nethlnd.	2.7160-2.7380	2.7350-2.7380	1.25-1.15c pm	5.27	3.45-3.35 pm	4.98
Belgium	39.67-40.12	40.10-40.12	15-22c dis	−5.56	25-33 dis	−2.91
Denmark	7.6675-7.7200	7.7100-7.7200	0.70-0.95ore dis	−1.28	0.10-0.40dis	−0.13
W. Ger.	2.4425-2.4740	2.4720-2.4730	1.40-1.35pf pm	6.67	3.84-3.79pm	6.17
Portugal	65.35-65.90	65.70-65.90	par-40c dis	−3.65	15-115 dis	−3.96
Spain	98.25-98.65	98.60-98.65	par-15c dis	−0.91	10-30dis	−0.81
Italy	1,224½-1,230	1,227-1,229	17-19lire dis	−17.59	46-50 dis	−15.64
Norway	6.0610-6.0950	6.0800-6.0900	4-3½ore pm	7.39	8¾-8¼ pm	5.58
France	5.8450-5.9150	5.9100-5.9150	6½-8c dis	−14.79	10-12 dis	−7.48
Sweden	5.2100-5.2300	5.2200-5.2300	1.80-1.60ore pm	3.90	5.60-5.40pm	4.21
Japan	226.50-228.50	228.35-228.45	2.35-2.20y pm	11.95	6.30-6.15 pm	10.90
Austria	17.16-17.32	17.31-17.32	10.80-9.30gro pm	6.97	27-23 pm	5.78
Switz.	2.1225-2.1490	2.1455-2.1465	2.00-1.90c pm	10.90	5.06-4.98 pm	9.37

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Aug. 24	Bank of England Index	Morgan Guaranty Changes%
Sterling	92.4	−31.4
U.S. dollar	111.0	+4.1
Canadian dollar	88.1	−17.3
Austrian schilling	110.9	+22.9
Belgian franc	105.4	+9.5
Danish kroner	85.3	−11.7
Deutsche mark	115.6	+37.7
Swiss franc	153.6	+80.7
Guilder	107.5	+14.0
French franc	81.7	−12.4
Lira	56.9	−55.9
Yen	142.9	+36.7

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 21	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.607438	0.546777
U.S. $	14	1.13348	1.02868
Canadian $	21.05	1.36675	1.24182
Austria Sch.	6¾	19.5967	17.7190
Belgian F.	15	45.2712	40.9261
Danish K.	11	8.77314	7.90954
D mark	7½	2.79523	2.51924
Guilder	9	3.10460	2.79699
French Fr.	9½	6.69660	6.04351
Lira	19	1395.31	1264.25
Yen	6¼	259.454	234.179
Norwgn. Kr.	9	6.93916	6.25439
Spanish Pts.	8	112.158	101.840
Swedish Kr.	12	5.95020	5.56356
Swiss Fr.	5	2.42678	2.19675
Greek Dr'ch.	20½	—	62.0552

OTHER CURRENCIES

Aug. 24	£	$		£ Note Rates
Argentine Peso	9736-9756†	5188-5208†	Austria	32.05-32.55
Australia Dollar	1.6165-1.6205	0.8675-0.8680	Belgium	79.40-80.30
Brazil Cruzeiro	188.38-189.38	100.49-100.99	Denmark	14.33-14.58
Finland Markka	8.490-8.502	4.5510-4.5530	France	11.00-11.20
Greek Drachma	110.241-113.616	59.75-59.95	Germany	4.57-4.62
Hong Kong Dollar	11.04-11.05	5.9175-5.9275	Italy	2270-2330
Iran Rial	151.60*	81.30*	Japan	425-430
Kuwait Dinar (KD)	0.527-0.533	0.2825-0.2826	Netherlands	5.07¼-5.12¼
Luxembourg Fr.	74.55-74.65	40.10-40.12	Norway	11.37-11.49
Malaysia Dollar	4.4175-4.4275	2.3660-2.3710	Portugal	120-127
New Zealand Dlr.	2.2355-2.2405	1.1990-1.2000	Spain	182½-193
Saudi Arab. Riyal	6.32-6.44	3.4185-3.4215	Sweden	9.74-9.84
Singapore Dollar	4.0275-4.0375	2.1595-2.1625	Switzerland	3.98-4.02
Sth. African Rand	1.7475-1.7495	0.9395-0.9405	United States	1.86½-1.88½
U.A.E. Dirham	6.86-6.92	3.6720-3.6740	Yugoslavia	75-81

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 14,192-14,213 and for the dollar 7,550-7,600. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	40.9270	+0.31	+0.31	±1.5357
Danish Krone	7.91917	7.90980	−0.12	−0.12	±1.6413
German D-Mark	2.54502	2.52155	−0.92	−0.92	±1.1386
French Franc	5.99526	6.02597	+0.51	+0.51	±1.3638
Dutch Guilder	2.81318	2.80065	−0.45	−0.45	±1.5159
Irish Punt	0.685145	0.688214	+0.45	+0.45	±1.6688
Italian Lira	1262.92	1263.10	+0.01	+0.01	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Aug. 24	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.860	4.600	425.0	10.995	3.993	5.105	2287.	2.247	74.60
U.S. Dollar	0.538	1.	2.473	228.5	5.911	2.147	2.745	1230.	1.208	40.11
Deutschemark	0.217	0.404	1.	92.39	2.390	0.868	1.110	497.2	0.488	16.22
Japanese Yen 1,000	2.353	4.376	10.82	1000.	25.87	9.394	12.01	5381.	5.287	175.5
French Franc 10	0.910	1.692	4.184	386.5	10.	3.631	4.645	2080.	2.044	67.85
Swiss Franc	0.250	0.466	1.152	106.4	2.754	1.	1.279	572.8	0.563	18.69
Dutch Guilder	0.196	0.364	0.901	83.25	2.154	0.782	1.	448.0	0.440	14.61
Italian Lira 1,000	0.437	0.813	2.011	185.8	4.808	1.746	2.232	1000.	0.983	32.63
Canadian Dollar	0.445	0.828	2.047	189.1	4.893	1.777	2.272	1018.	1.	33.20
Belgian Franc 100	1.340	2.493	6.166	569.7	14.74	5.352	6.843	3066.	3.012	100

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 24)

3 months U.S. dollars		6 months U.S. dollars	
bid 18 11/16	offer 18 15/16	bid 18 3/4	offer 18 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Aug. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12⅜-12⅝	17⅞-18½	21¼-22¼	13⅜-13⅝	1-1½	11¼-11½	20-30	18-25	18-32	6¼-6½
7 days' notice	12¾-13	18-18¼	21¼-22¼	13⅜-13⅝	17¼-17¾	11⅛-11¼	25-35	31½-38½	21½-24½	6½-7
Month	13⅜-13½	18⅜-18⅝	21¾-22⅛	13½-13⅝	8½-8⅝	12-12⅛	29-32	33½-35½	22-24	6⅞-7⅛
Three months	14-14⅛	18⅛-18¼	21⅞-21⅞	13⅛-13⅝	9-9⅛	12⅛-12¼	26-27	33¾-35¼	19-21½	7⅜-7½
Six months	14¼-14⅜	18-18½	20¾-21⅛	13¼-13⅜	9-9⅛	12⅛-12½	22½-24	31¾-32¾	18-20	7½-7¾
One Year	14¼-14⅜	17⅞-18⅛	19⅞-20¼	12⅞-13⅛	8⅞-9	12⅜-12½	20-21½	29½-30½	17-19	7⅞-8⅛

SDR linked deposits: one-month 16¹¹⁄₁₆-17¹⁄₁₆ per cent; three months 16⁵⁄₁₆-16¹¹⁄₁₆ per cent; six months 16-16⅜ per cent; one-year 15½-15⅞ per cent.

ECU linked deposits: one-month 18⁹⁄₁₆-18¹⁵⁄₁₆ per cent; three months 17¹¹⁄₁₆-18¹⁄₁₆ per cent; six months 17-17⅜ per cent; one-year 16⁹⁄₁₆-16¹⁵⁄₁₆ per cent.

Asian $ (closing rates in Singapore): one-month 18³⁄₁₆-18⁷⁄₁₆ per cent; three months 18⅛-18⅜ per cent; six months 18⁷⁄₁₆-18¹¹⁄₁₆ per cent; one-year 17⅛-17⅜ per cent. Long-term Eurodollar two years 16⅞-17 per cent; three years 16½-16⅞ per cent; four years 16⅜-16⅝ per cent; five years 16¼-16½ per cent; nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.30-18.40 per cent; three months 18.45-18.55 per cent; six months 18.55-18.65 per cent; one-year 17.50-17.60 per cent.

MONEY MARKETS

Further shortage

Money was in short supply in the London money market yesterday and the authorities provided a total of £440m assistance by buying Treasury bills, local authority bills, and eligible bank bills. In the morning the Bank of England bought £10m Treasury bills in band 2 at 12⅝-12¹¹⁄₁₆ per cent; £1m local authority bills in band 2 at 12¾ per cent; £167m bank bills in band 2 at 12¹¹⁄₁₆-12¾ per cent; and £52m bank bills in band 3 at 13 per cent.

In the afternoon a further £12m Treasury bills in band 2 were purchased at 12⅝-12¹¹⁄₁₆ per cent; £14m Treasury bills in band 3 at 12⅞ per cent; £1m local authority bills in band 2 at 12¹¹⁄₁₆ per cent; £72m bank bills in band 2 at 12¹¹⁄₁₆ per cent; and £8m bank bills in band 3 at 13 per cent.

In addition the authorities bought £103m of bills at 12¾ per cent for repurchase by the market on September 10.

Yesterday morning the authorities forecast a shortage of about £400m, with the main factors made up of: bills maturing in official hands and a net Treasury bill take-up of −£90m, and the unwinding of repurchase agreements totalling −£420m. On the other hand Government disbursements were expected to exceed revenue payments to the Exchequer by +£150m, and there was a fall in the note circulation of about +£70m. At noon the shortage was revised to £450m.

In Paris money market conditions were very quiet, with call money unchanged at 17¼ per cent. The Bank of France intervention rate is at present 17⅛ per cent, and last week the French authorities bought FFr 22bn of first category paper and Treasury bills to help banks provide the necessary compulsory reserves. An auction of FFr 4bn three-month and six-month Treasury bills is due to take place tomorrow.

In Frankfurt call money was little changed at 11.90-12 per cent, compared with 12 per cent on Friday. The Bundesbank special Lombard facility remains open today at 12 per cent. Period rates were generally firmer yesterday, with six-month money rising to 13.00-13.10 per cent from 12.85-13.00 per cent.

In Tokyo short-term interest rates are expected to be tight this week, reflecting corporate demand for funds for monthly wage payments and month end financial settlements. Shortages of about Y700bn (£1.6bn) are expected at the beginning of the week, followed by surpluses of about Y200bn (£470m) on Wednesday and Thursday, and a further shortage of money on Friday. Last week the authorities sold Y700bn of bills to absorb liquidity caused by interest payments on Government bonds, and prevent a fall in rates. Further intervention to keep interest rates steady is expected this week.

GOLD

Weaker trend

Gold fell $11 to $419-421 in the London bullion market yesterday, the lowest level of the day. The metal opened at the day's peak of $428-430, and was fixed at $428.50 in the morning and $422 in the afternoon. Trading was thin and nervous, but selling built up in the afternoon, mainly from the U.S., as the dollar showed signs of recovery.

In Paris the 12½-kilo gold bar was fixed at FFr 89,200 per kilo ($473.97 per ounce) in the afternoon, compared with FFr 89,850 ($477.71) in the morning, and FFr 90,000 ($473.81) Friday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 33,865 per kilo ($430.02), against DM 34,060 ($428.50) previously, and finished at $421-423, compared with $429-$431.

In Luxembourg the 12½-kilo bar was fixed at the equivalent of $429 per ounce.

In Zurich gold closed at $421-$424, against $428-431.

	Aug. 24		Aug. 21	
Gold Bullion (fine ounce)				
Close	$419-421	(£224½-225½)	$430-432	(£230-231)
Opening	$428-430	(£227½-228¾)	$429-431	(£230-231)
Morning fixing	$428.50	(£228.570)	$428.50	(£229.820)
Afternoon fixing	$422	(£225.127)	$429.50	(£229.128)
Gold Coins				
Krugerrand	$432-435	(£231½-232)	$445-446	(£237½-238½)
1/2 Krugerrand	$226-227	(£121-121½)	$233-234	(£124½-125)
1/4 Krugerrand	$115-116	(£61½-62)	$118-119	(£63-65½)
1/10 Krugerrand	$43-44	(£23-23½)	$49-50	(£26½-26½)
Mapleleaf	$432-435	(£231½-232)	$444-445	(£237½-237½)
New Sovereigns	$104¼-105	(£55¾-56½)	$107-108	(£57-57½)
King Sovereigns	$ —	(£ —)	$118-120	(£63¼-64½)
Victoria Sovs	$ —	(£ —)	$118-120	(£63¼-64½)
French 20s	$120-126	(£64¼-67½)	$124-129	(£66½-69)
50 pesos Mexico	$519-523	(£278-280½)	$536-539	(£286½-288)
100 Cor. Austria	$406-409	(£217½-219½)	$419-422	(£223½-225½)
$20 Eagles	$566-569	(£303¾-305)	$566-570	(£302½-304½)

MONEY RATES

NEW YORK

Prime rate	20½
Fed. funds	17¾-18
Treasury bills (13-week)	15.90
Treasury bills (26-week)	15.80
GERMANY	
Special Lombard	12.00
Overnight rate	11.85
One month	12.65
Three months	12.90
Six months	13.05
FRANCE	
Intervention rate	17.125
Overnight rate	17.50
One month	17.375
Three months	17.625
Six months	17.125
JAPAN	
Discount rate	6.25
Call (unconditional)	7.25
Bill discount (three-month)	7.4375

LONDON MONEY RATES

Aug. 24 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	12-13⅛	12½-12⅞	—	—	12½-12¾	11-12⅝	—	—	—
2 days notice	—	—	13½-13¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¾-13	13⅜	—	13	12⅞-13¼	13½-12¼	—	—	—
One month	13⅝-13⅞	13¼-13⅝	13½	14⅜-14⅛	13½	13¾-13⅞	12¾	12¹⁵⁄₁₆-13	12¾	14
Two months	13⅜-13½	13¾-13⅞	—	14½-14	13⅞	—	13-13⅛	13-13¹⁄₁₆	13	14
Three months	13⅞-13¾	14-14⅛	14	14½-14¼	14⅛	14¼-14⅝	13¼	13⅛-13⅛	13⅛-13⅛	14
Six months	14⅛-13⅞	14⅛-14⅜	14¼	13½-13¼	14⅜	—	—	—	13⅛-13¼	14⅛
Nine months	14⅛-14	14⅛-14⅜	—	14⅛-14	14⅜	—	—	—	—	—
One year	14¼-14⅛	14⅛-14⅜	14½	14⅜-14	14⅜	—	—	—	—	—
Two years	—	—	14½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 14⅝ per cent; four years 14⅝ per cent; five years 14¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¹⁄₁₆ per cent; four months trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 12⅝-12¾ per cent; two months 12⅞-12¹⁵⁄₁₆ per cent; three months 13¹⁄₁₆-13⅛ per cent. Approximate selling rate for one-month bank bills 12¾ per cent; two months 12¹⁵⁄₁₆ per cent and three months 13¹⁄₁₆-13⅛ per cent; one month trade bills 13⅜ per cent two months 13⅜ per cent and three months 13⅜ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from August 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rate of discount 13.2463 per cent.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on August 24, 1981. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available. (F) free rate. (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates (cm) commercial rate (cn) convertible rate (fn) financial rates; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate, (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	101.50
Albania	Lek	10.30
Algeria	Dinar	7.8515
Andorra	French Franc	10.995
	Spanish Peseta	183.45
Angola	Kwanza	(CM) 62.956 (T) 65.139
Antigua (S)	E. Caribbean $	5.03
Argentina	Ar. Peso	(cm) 9,746.0 (fn) 14,203.0
Australia (S)	Australian $	1.6185
Austria	Schilling	32.175
Azores	Portugu'se Escudo	122.25
Bahamas (S)	Ba. Dollar	1.8600
Bahrain (S)	Dinar	0.706
Balearic Isles	Spa. Peseta	185.45
Bangladesh (S)	Taka	33.50
Barbados (S)	Barbados $††	3.7200
Belgium	B. Franc	(cm) 74.60 (fn) 80.00
Belize	B $	3.7200
Benin	C.F.A. Franc	549.75
Bermuda (S)	Bda $	1.8600
Bhutan	Indian Rupee	16.66
Bolivia	Bolivian Peso	46.40
Botswana (S)	Pula	1.6570
Brazil	Cruzeiro ‡‡	188.86
Brit. Virgin Isles (S)	U.S. $	1.8600
Brunei (S)	Brunei $	4.0525
Bulgaria	Lev	1.7860
Burma	Kyat	13.85
Burundi	Burundi Franc	161.52
Cameroon Republic	C.F.A. Franc	549.75
Canada	Canadian $	2.2470
Canary Islands	Spanish Peseta	185.45
Cape Verde Isle	Cape V. Escudo	67.90
Cayman Islands (S)	Cay. Is. $	1.5500
Cent. Af. Repub.	C.F.A. Franc	549.75
Chad	C.F.A. Franc	549.75
Chile	C. Peso	(Bk) 73.12
China	Renminbi Yuan	3.3509
Colombia	C. Peso	(F) 105.57
Comoro Islands	C.F.A. Franc	549.75
Congo (Brazzaville)	C.F.A. Franc	549.75
Costa Rica	Colon	37.25
Cuba	Cuban Peso	1.3710
Cyprus (S)	Cyprus £	0.848
Czechoslovakia	Koruna	(com) 11.45 (nc) 19.95 (T) 19.34
Denmark	Danish Krone	14.40
Djibouti	Fr.	325 (sg)
Dominica (S)	E. Caribbean $	5.03
Dominican Repub.	Dominican Peso	1.8600
Ecuador	Sucre	(O) 46.81 (F) 57.09
Egypt	Egyptian £	(U) 1.32
Equatorial Guinea	Ekuele	566.90
Ethiopia	Ethiopian Birr	(P) 3.8250
Falkland Islands (S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	14.40
Fiji Islands	Fiji $	1.6380
Finland	Markka	8.4960
France	French Franc	10.995
French C'tyin Af*	C.F.A. Franc	549.75
French Guiana	Local Franc	10.995
French Pacific Is.	C.F.P. Franc	190 (sg)
Gabon	C.F.A. Franc	549.75
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.60
Germany (West)	Deutsche Mark	4.60
Ghana (S)	Cedi	5.05
Gibraltar (K)	Gibraltar £	1.0
Greece	Drachma	111.9285
Greenland	Danish Kroner	14.40
Grenada (S)	E. Caribbean $	5.03
Guadaloupe	Local Franc	10.995
Guam	U.S. $	1.8600
Guatemala	Quetzal	1.8600
Guinea Republic	Syli	41.00
Guinea Bissau	Peso	78.10
Guyana (S)	Guyanese $	5.6325
Haiti	Gourd	9.30
Honduras Repub.	Lempira	3.76
Hong Kong (S)	H.K. $	11.045
Hungary	Forint	(com) 66.9442 (T)(nc) 61.4167
Iceland (S)	I. Krona	13.802(§)
India (S)	Ind. Rupee	16.66
Indonesia	Rupiah	1,181.25
Iran	Rial	151.60 (sg)
Iraq	Iraq Dinar	0.5510
Irish Republic (k)	Irish £	1.25475
Israel	Shekel	23.50
Italy	Lira	2,287.0
Ivory Coast	C.F.A. Franc	549.75
Jamaica (S)	Jamaica Dollar	3.3170
Japan	Yen	425.0
Jordan (S)	Jordan Dinar	0.631 (sg)
Kampuchea	Riel	2,232.0
Kenya (S)	Kenya Shilling	16.92
Kiribati	Australian $	1.6185
Korea (Nth)	Won	1.92 (ll)
Korea (Sth)	Won	1,273.50
Kuwait	Kuwait Dinar	0.550
Laos	New Kip	18.60
Lebanon	Lebanese £	8.7750
Lesotho	Loti	1.7485
Liberia	Liberian $	1.8600
Libya	Libyan Dinar	0.5505
Liechtenstein	Swiss Franc	3.9925
Luxembourg	Lux Franc	74.60
Macao	Pataca	11.60
Madeira	Portug'se Escudo	122.25
Malagasy Republic	MG Franc	549.75
Malawi (S)	Kwacha	1.7415
Malaysia (S)	Ringgit	4.4225
Maldive Islands (S)	Mal Rupes	7.3685
Mali Republic	Mali Franc	1,099.50
Malta (S)	Maltese £	0.762
Martinique	Local Franc	10.995
Mauritania	Ouguiya ‡	110.65
Mauritius (S)	M. Rupee	16.60
Mexico	Mexican Peso	46.38
Miquelon	C.F.A. Franc	549.75
Monaco	French Franc	10.995
Mongolia	Tugrik	(o) 6.47 (ll)
Montserrat	E. Caribbean $	5.03
Morocco	Dirham	10.23 (sg)
Mozambique	Metical	55.20
Nauru	Australian Dollar	1.6185
Nepal	Nepalese Rupee	22.50
Netherlands	Guilder	5.105
Netherland Antilles	Antillian Guilder	3.3295
New Zealand (S)	N. Z. Dollar	2.2350
Nicaragua	Cordoba	18.75
Niger Republic	C. F. A. Franc	549.75
Nigeria (S)	Naira	1.217956 (sg)
Norway	Norway Krone	11.30
Oman Sul'ate of (S)	Rial Omani	0.648
Pakistan	Pakistan Rupee	18.42
Panama	Balboa	1.8600
Papua N.Guinea (S)	Kina	1.2705
Paraguay	Guarani	236.25
Peru	Sol	(exc (A)) 808.55
Philippines	Philippine Peso	14.55
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.2380
Poland	Zloty	(Cm) 64.09 (T) 64.09
Portugal	Portugu'se Escudo	122.25
Puerto Rico	U.S. $	1.8600
Qatar (S)	Qatar Ryal	6.83
Reunion Ile de la	French Franc	10.995
Romania	Leu	(Cm) 8.31 (n/c) 20.45
Rwanda	Rwanda Franc	167.38
St. Christopher (S)	E. Caribbean $	5.03
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.03
St. Pierre	Local Franc	10.995
S. Vincent (S)	E. Caribbean $	5.03
Salvador El	Colon	4.69
Samoa American	U.S. $	1.8600
San Marino	Italian Lira	2,287.0
Sao Tome & Principe	Dobra	75.15
Saudi Arabia	Ryal	6.41
Senegal	C.F.A. Franc	549.75
Seychelles	S. Rupee	11.75 (sg)
Sierra Leone (S)	Leone	2.24102
Singapore (S)	Singapore $	4.0325
Solomon Islands (S)	Solomon Is. $	1.6565
Somali Republic	Somali Shilling (3)	(A) 11.81
Somali Republic	Somali Shilling (4)	23.17
South Africa (S)	Rand	1.7465
South West African Territories (S)	S. A. Rand	1.7465
Spain	Peseta	185.45
Spanish ports in North Africa	Peseta	185.45
Sri Lanka (S)	S. L. Rupee	36.38
Sudan Republic	Sudan £ (1)	0.93
Sudan Republic	Sudan £ (2)	1.49
Surinam	S. Guilder	3.3295
Swaziland (S)	Lilangeni	1.7485
Sweden	S. Krona	9.725
Switzerland	Swiss Franc	3.9925
Syria	Syria £	(A) 9.25
Taiwan	New Taiwan $	66.95
Tanzania (S)	Tan. Shilling	15.35
Thailand	Baht	42.60
Togo Republic	C.F.A. Franc	549.75
Tonga Islands (S)	Pa'anga	1.6185
Trinidad (S)	Trinidad & Tob. $	4.464
Tunisia	Tunisian Dinar	1.013 (sg)
Turkey	Turkish Lira	223.15
Turks & Caicos	U.S. $	1.8600
Tuvalu	Australian $	1.6185
Uganda (S)	Uganda Shilling	145.0
United States	U.S. Dollar	1.8600
Uruguay	Uruguay Peso	(cm) 20.58 (fn) 20.60
Utd. Arab Emirates	U.A.E. Dirham	6.89
U.S.S.R.	Rouble	1.4140
Upper Volta	C.F.A. Franc	549.75
Vanuatu	Vatu	170 (sg)
	Aust. Dollar	1.6185
Vatican	Italian Lira	2,287.0
Venezuela	Bolivar	8.05
Vietnam	Dong	(O) 4.0875 (T) 4.70 (1)
Virgin Islands U.S.	U.S. Dollar	1.8600
Western Samoa S.	Samoan Tala	2.025
Yemen (Nth)	Ryal	8.48 (sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.6405
Yugoslavia	New Y Dinar	73.8377
Zaire Republic	Zaire	10.452454
Zambia	Kwacha	1.685
Zimbabwe	Zimbabwe $	1.3650

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. †Rupees per pound. ‡General rates of oil and iron exports 78.10. **Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados $ to the dollar. ‡‡New one official rate. (U)Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (ll)Based on gross rates against Russian rouble. (1)Official rates for government transactions and specified exports and imports. (2)Parallel rates for non-government transactions and non-specified exports and imports. §One new Krona=100 old Kronur. (3)Parallel exchange rate for essential imports. (4)Exports, non-essential imports and transfers.

NU-WEST MAY SELL STAKE

Speculation on Cities Service grows

BY OUR NEW YORK STAFF

CITIES SERVICE, the 19th largest U.S. oil company and increasingly regarded as a possible take-over candidate, is again at the centre of Wall Street speculation. This folowsl the disclosure that Nu-West, a Canadian real estate company with oil and gas interests is considering selling all or part of its 7.2 per cent holding in the U.S. oil company.

Nu-West started acquiring its large block of Cities Service shares last May in an apparent attempt to eventually swap the shares for Cities Service's Canadian energy properties.

This was the technique used by Dome Petroleum of Canada to force Conoco to sell its 53 per cent holding in Hudson's Bay Oil and Gas to the Canadian oil company. Dome's successful acquisition of Conoco's majority interest in Hudson's Bay Oil eventually precipitated the take-over battle for Conoco which led to the $7.6bn merger between Conoco and Du Pont.

In an attempt to block Nu-West from forcing Cities Service to sell its Canadian assets, the U.S. oil company filed a law suit against the Canadian group.

The suit argued that the Nu-West acquisition of Cities Service shares "was to cause Cities Service to sell to Nu-West its Canadian oil and gas properties."

Subsequently, Cities Service and Conoco discussed a merger, but negotiations collapsed as the bidding war for Conoco heated up to unprecedented levels.

Now, Nu-West, which was intending to increase its Cities Service block of shares to 7.8 per cent, has disclosed that it has discussed the possible sale of part or all of its stake to Mesa Petroleum or other U.S. oil companies, including Cities Service itself.

Mesa, a Texas oil company, has been steadily increasing its stake in Cities Service this year. It held about 1 per cent last January, but last week it reported it held about 4 per cent.

At this stage it is still not clear what the Canadian company plans to do with its stake — the largest single block of Cities Service shares.

As in the case of Dome Petroleum, Nu-West's acquisition of Cities Service shares has been regarded as another example of the effect of Canada's new energy policy.

These policies strongly favour Canadian companies and have forced many U.S. oil companies to consider selling their Canadian natural resource assets.

Since Cities Service's abortive attempt to merge with Conoco, it has been at the centre of hectic take-over speculation, with the company's stock price jumping from the mid-$30-mark to the high-$60m-mark. On Friday the stock closed at $66¼ in New York.

The company, however, has repeatedly said it was not for sale, and has arranged new credit lines totalling about $3bn in the past few weeks. The credits are seen as defensive measures to fight off possible hostile bids at a time when a number of major oil companies have lined up similar huge credits to position themselves to move quickly in the current take-over climate in the U.S. natural resources industry.

Indiana Standard buys coal operations

By Our New York Staff

STANDARD OIL COMPANY (INDIANA), the sixth largest U.S. oil company, is acquiring the mining operations of Harbert, a privately held Alabama company, which is also active in engineering design, industrial and pipeline construction in a stock transaction valued at slightly more than $300m.

The move reflects Standard Indiana's current effort to expand its natural resources base along with other major U.S. oil companies. It is the largest purchase to date of coal mining interests by the U.S. oil company.

The agreement involves the exchange of about 5m Standard Indiana shares for the mining assets of Harbert. The oil company's shares closed at $60.50 on Friday on the New York Stock Exchange.

Standard Indiana, the Amoco group, said it would acquire Harbert's coal mining and limestone assets in Kentucky.

The private company has been producing 7m tonnes a year of high quality steam coal but has plans to expand annual production to 10m to 11m tonnes. Standard Indiana said the coal reserves were capable of supporting annual production of 13m tonnes.

Indiana Standard's Amoco Minerals subsidiary said the acquisition, along with the company's coal mines in Colorado and Pennsylvania, "establishes Amoco in the coal mining industry with a solid base."

It was the latest step in building a diversified mining company of "meaningful size" Amoco said.

Foreign bond issues in Germany limited to one

BY FRANCIS GHILES

THE WEST German Capital Markets Sub-Committee agreed at its monthly meeting yesterday that only one new foreign bond would be arranged in the course of the next four weeks. This will be a DM 100m issue for the World Bank through DG Bank.

Although the sub-committee's decision continues the policy it has followed for several months, further new issues could be agreed on an ad hoc basis during the next four weeks, if the market improves.

There has been some improvement during the past four weeks, leading the sub-committee to improve three issues, amounting to DM 380m, over and above the sole DM 200m World Bank issue originally agreed. As a result, a total of DM 580m in new paper was issued in July-August.

While the issues for the World Bank, the European Investment Bank and Eurofima met with reasonably good demand from investors, such has not been the case with the DM 150m bond to 1991 for Hydro Quebec, which Commerzbank is offering to investors on an indicated price of 99½.

The bond was yesterday being offered in pre-market trading at a 2½ to 1½ per cent discount from 99½, a wider discount than last week and which led the bank last night to price the bond at 99.

Secondary market trading in the D-mark foreign bond sector remained very thin yesterday with prices unchanged on the day.

A $50m 15-year convertible for Fujitsu Fanuc, Japan's largest manufacturer of numerical control systems, was launched yesterday through Nikko Securities. The borrower is paying an indicated coupon of 5 per cent and a conversion premium of 5 per cent.

Confirming the continuing popularity of Japanese convertibles, Yamaichi Securities was able to cut by ¼ per cent to 5¼ per cent, the final coupon on the $20m issue to 1996 for Aida Engineering.

Secondary market prices for Japanese convertibles, however, were a little lower yesterday after the losses on the Tokyo stock exchange over the weekend.

The fixed interest dollar bond sector was extremely quiet with prices of seasoned issues marked down by about ¼ of a point after the decline in New York bond prices last Friday.

In Switzerland, where secondary market foreign bond prices declined by ¼ of a point, Banca del Gottardo is arranging a SwFr 60m 10-year issue for the Council of Europe. The borrower is paying a coupon of 7¼ per cent and the bonds are expected to be priced at 99½. Handelsbank, meanwhile, is expected shortly to launch a SwFr 100m bond for the City of Oslo.

Swedish Export Credit Corporation is arranging a KD 7m 10 per cent bond to 1988 through Kuwait International Investment Company. The issue is expected to be priced on September 3, to yield around 11¼ per cent. This is the second Kuwaiti dinar issue to be launched since this sector of the market reopened after being closed for nearly two years.

Manufacturers Hanover to sell building

By Our New York Staff

Trust, the four largest bank in the U.S., is to sell for $161m its headquarters building in Park Avenue, New York, to a joint venture of Republic National Bank of New York and Salomon Brothers, the Wall Street investment company.

Manufacturers Hanover is currently moving its headquarters a few blocks south to the present headquarters building of Union Carbide. Union Carbide is moving to a new building outside New York City.

Manufacturers Hanover says it will record an after tax profit on the sale of about $70m, of which about $45m will be reflected in third quarter earnings.

Several large corporations have recently sold or are trying to sell buildings in central New York, among them Pan American World Airways, General Motors, and Ford. Property values in the city have soared in the past two years, although some analysts think that a plateau may be about to develop.

Automatic Data shows 24% gain

BY OUR FINANCIAL STAFF

EARNINGS for fiscal 1981 ended a shade better than forecast at Automatic Data Processing, the New Jersey-based leader of independents in the industry, and the Board predicts a further rise of 15 per cent in fiscal 1982. Revenues and net income should grow by more than 15 per cent, added the directors.

Net earnings for 1981 were 24 per cent up at $49.3m, or $1.67 a share, against analysts' forecasts of $1.55. The net total includes a $1.9m loss from discontinued operations, but this is balanced by a $1.9m gain from a tax loss carry-forward.

Revenues for the year totalled $558.4m compared with $455m in the previous year. In the final quarter, earnings grew by 21 per cent to $13.8m, or 43 cents a share, on revenues of $147.8m against $121.3m.

The Board comments that the quarterly growth rate is likely to be "slightly uneven" in fiscal 1982, with the third and fourth quarters showing the strongest growth.

Automatic Data finds almost all its revenues from providing commercial services, which include payroll preparation, tax returns, insurance cost control, and data processing for the motor and farm equipment industries.

The company aims to ward off any effects of the economic recession on its customers in the car and consumer areas by an active programme of acquisitions intended to take the group into new business areas as well as expand its present ones.

A slight tightening of margins over the past 12 months is offset by the continued strength of revenue growth. In the full fiscal 1981 year, revenues gained 24 per cent, with the rate of advance increasing in the final quarter.

Recent acquisitions have included LRC Electronics, a producer and supplier to the cable television industry, and Vitek Electronics, which makes cable television security equipment.

NMB against trend with 9% dip

BY OUR FINANCIAL STAFF

NEDERLANDSCHE Middenstandsbank, the major Dutch commercial bank, reports a drop of 9 per cent to Fl 82.3m ($30m) in net profits for the first half of 1981.

The result is in line with forecasts made earlier this year by the bank, which yesterday also confirmed that profits overall were unlikely to differ much from the Fl 182.6m made for the whole of 1980.

NMB's interim statement, however, contrasts strikingly with those from its two rivals, Algemene Bank Nederland and Amsterdam Rotterdam Bank, both of which have reported steady gains in six-month earnings.

Moreover, the results from NMB are struck after relatively a modest top-up in bad debt provision—to Fl 100.5m from Fl 84.3m. ABN increased its debt provision by Fl 60m for the half-year, and Amro by Fl 45m.

Net profits per share at NMB were 14 per cent lower at Fl 14.15. Per share earnings at ABN advanced by 11 per cent and those at Amro were 3 per cent higher after six months.

NMB's balance sheet total rose 14 per cent to Fl 54.6bn at end-June. Accounts receivable rose by 8.3 per cent to Fl 31bn, with NMB explaining that growth in lending was mostly confined to Government and foreign borrowing.

Entrusted funds rose by 14.2 per cent to Fl 51.6bn with Eurocurrency business rising to 20 per cent as a share of the total.

Total revenues improved 1.1 per cent to Fl 712.9m, while total expenditures were up 5.7 per cent at Fl 471.4m.

In March this year, when forecasting reduced half-time earnings, NMB pointed out that profits were being hampered by slow demand for credit and low interest rate margins.

Construction boom boosts earnings at Anglo-Alpha

BY JIM JONES IN JOHANNESBURG

ANGLO-ALPHA, the South African producer of cement, lime, aggregates and industrial minerals and which is 53.8 per cent-owned by Holderbank of Switzerland, has benefited strongly from South Africa's construction boom in the six months to June 30 1981. Pre-tax income rose by 72.8 per cent to R29.23m ($31m) from R16.92m in the first half of last year.

First-half turnover was R107.3m against last year's R85.2m. Cement sales volumes were 17 per cent ahead, in line with increases recorded by competitors. Although the company is increasing cement manufacturing capacity, its output was insufficient to cope with the higher demand and facilities which had been closed were recommissioned.

An interim dividend of 16 cents has been declared from first half earnings per share of 44.1 cents, calculated on a current cost basis. Last year the interim dividend was 11.5 cents and first half current cost earnings 22 cents a share. For all of 1980 earnings were 70.8 cents and the total dividend 27 cents.

Hospital supply group makes $405m bid

By Our Financial Staff

AMERICAN HOSPITAL Supply, the largest distributor of laboratory and hospital supplies in the U.S., has agreed to pay $405.6m for the equity of Bentley Laboratories, in which a major shareholder is Bio-Engineering International of the Netherlands.

The tax free share exchange offer of 1.2 American Hospital shares for each Bentley share has the agreement of Bio-Engineering and of the founder of Bentley, who between them own 36 per cent of the outstanding equity.

American Hospital said the two major Bentley shareholders have agreed to an option, allowing it to buy their shares. That option was crucial to the transaction because it should effectively prevent any other companies from "interfering in the acquisition."

It added that the 5.8m shares it will use in the acquisition are authorised but unissued, so that if the purchase is completed, Bentley shareholders will own about 12.3 per cent of the 47.8m American Hospital shares that will then be outstanding. Mr D. J. Bentley and Bio-Engineering will own about 4.9 per cent of American Hospital common stock.

Ciba-Geigy in Korean venture

By John Wicks in Zurich

THE KOREAN Government has approved the formation of a joint venture to be owned by Daihan Color Industries, Korea's leading pigment manufacturers, and the Swiss chemical group, Ciba-Geigy.

The new company, Daihan Swiss Chemical Corporation, will be based in Seoul. Its production programme will consist of organic pigments, pigment intermediates and special dyes for domestic and export markets.

● A European-Japanese consortium is to sign an agreement in November with the government of Zaire for a large-scale aluminium smelter near the Inga hydro-electric complex.

According to Malusuisse, capital spending on the project is now put at between $750m and $800m which is considerably above the estimate of $640m made by Alusuisse last year.

Setback at Asea Electric

BY OUR JOHANNESBURG CORRESPONDENT

ASEA ELECTRIC, the South African electrical engineering and cables company, was disappointed with its results in the half-year to June 30. Earnings after tax fell to R2.61m ($2.8m) from R2.76m in the first half of 1980, and compared with R6.03m for the whole of 1980.

This year's earnings will be of the same order as those of 1980, the director believed. An unchanged interim dividend of 6 cents has been declared, even though first-half earnings per share have fallen to 23 cents from 24 cents. Last year the total dividend was 20 cents and earnings 54.7 cents per share.

Asea is 46.3 per cent-owned by Anglo American Industrial Corporation and 25 per cent by the Swedish Asea group.

Conoco and Monsanto complete deal

By Our Financial Staff

CONOCO, the U.S. oil major currently being acquired by Du Pont after a fierce take-over battle involving Seagram and Mobil, has completed the purchase from Monsanto of the chemical company's share in plants in Texas and Louisiana operated by the two companies as a joint venture.

The purchase is part of a previously announced consent decree with the Justice Department that cleared the way for Government approval of Conoco's merger with Du Pont.

The final purchase price has not yet been agreed, Conoco said, but the consent decree specifies a base value of $275m.

Monsanto said that Conoco would pay an additional purchase amount if the two companies "through agreement or by arbitration" decide the fair value of the assets are more than $275m.

Conoco now owns outright the 3.5m tonnes a year chemical plant near Houston which came into operation late last year and the 100,000 barrel a day feedstock facility at Lake Charles, Louisiana.

Sales rise at Beiersdorf

By Our Financial Staff

WORLDWIDE SALES of the Beiersdorf cosmetics, pharmaceuticals, medical equipment and adhesives group rose by 16.5 per cent in the first half of 1981 to DM 1.04bn ($736m) from DM 898m.

In a letter to shareholders the company says sales improved in the cosmetics and medical equipment divisions, while pharmaceuticals were below expectations and adhesives were only slightly up.

Much of the sales growth is attributed to above-average developments in foreign markets with the group profiting from the weakness of the German currency.

Foreign turnover rose by 23.8 per cent to DM 594m in the half year from DM 480m. Domestic sales climbed more modestly by 8.1 per cent to DM 452.1m from DM 418m.

● Chemicals and sealants group Ruetgerswerke reports lower earnings for the first six months of 1981 as a result of rising energy and raw material costs.

Half-year sales rose by 4 per cent to DM 1.13bn.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Monday September 14.

Closing prices on August 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¼ 88	75	88¾	89¼	0	0	16.10
CIBC 14½ 84	185	95	95½	−0⅛	−0¼	16.77
CIBC 15¼ 86	75	97¼	97¾	−0⅛	−0¼	16.02
CNA 15¼ 96	75	92	92½	−0¼	−0¾	16.65
CNE 12¾ 91	100	81¾	82¼	−0⅛	−0⅛	16.60
Citicorp Int. Fin. 15 86	150	96½	97	0	+0⅛	15.98
Citicorp O/S 15½ 84	175	98¼	98¾	−0⅛	−0¼	16.12
Dupont Canada 13½ 91	65	88¼	88¾	−0⅛	−0½	15.87
EEC 14¼ 93	65	91½	91⅞	−0¼	−1⅛	16.38
EIB 12¾ 89	75	84¼	84⅞	−0⅛	−1⅛	16.37
Eldorado 13¼ 86	50	90	90½	−0¼	−0⅝	16.37
Elec. de France 13 88	125	86½	87	−0⅛	−0⅞	16.44
Fed. Bs. D. 12¼ 85 (N)	50	87¼	87¾	−0¼	−0⅜	16.53
Fed. Bs. D. 15¾ 84 (J)	40	98½	99	−0⅞	−0¼	16.25
Fin. Exp. Credit 10½ 85	50	82½	83¼	+0⅛	−0⅝	16.86
Finland, Rep. of 9½ 86	100	77¾	78¼	+0⅜	−0½	16.81
Ford Cr. O/S Fin. 16 84	150	99¾	100¼	0	0	15.85
Ford Cr. O/S Fin. 16 85	150	97⅜	97⅞	0	+0⅛	16.83
Gaz de France 13½ 86	80	90¾	90⅞	0	0	16.59
GMAC O/S Fin. 12⅞ 88	100	87¼	87¾	−0⅛	−0¼	16.07
GMAC O/S Fin. 14¾ 87	100	93⅛	93⅞	0	−0⅛	16.49
Gen. Mts. O/S 11¾ 87	100	84¼	84¾	−0⅛	−0½	15.89
Genstar 14¾ 91	50	93⅞	94¼	−0¼	−1½	15.93
Hiram Walker 16 86	50	100½	101	−0⅝	−1½	15.70
IBM Wld. Trade 12½ 86	200	91⅛	91⅝	−0⅝	−0½	14.60
IBM Wld. Trade 14¾ 84	100	100¼	100¾	−0⅛	−0¼	14.45
IBM Wld. Trade 14¼ 86	60	99⅛	99⅞	−0¼	−0½	14.86
Nat. Bk. Canada 15¾ 84	40	97	97½	−0⅛	−0⅜	16.47
Newfoundland 13½ 90	60	86¼	87¼	−0⅛	−0⅛	16.39
Nova Scotia 15 91	75	93¾	94¼	+0⅛	+0⅛	16.26
Ontario Hydro 13½ 91	100	87⅛	87⅞	−0⅛	−0½	16.08
Pacific Gas Elec. 16 88	75	101⅜	101⅞	+0⅛	+0½	15.58
PSNH Int. Fin. 17 86	30	98¼	98¾	+0⅛	+0¼	17.51
Queb. Hy. 13 91 (WW)	100	82¾	83¼	−0¼	−1	16.64
Royal Bk Canada 14 86	100	92⅞	93⅞	−0⅛	−1⅛	16.13
SNCF 13 91	75	†85½	86	−0½	−1⅛	15.97
Sth. California 14 87	50	94½	95	−0⅛	−0⅜	15.40
Sth. California 14⅜ 88	50	94⅝	95¼	−0½	−0¼	16.00
Sven Handlsbk. 13¾ 88	45	†89	90	+0⅛	−1⅛	16.40
Swed. Ex. Credit 13 86	75	87½	88¼	−0⅛	−0½	17.06
Swed. Ex. Cred. 15¾ 86	50	96½	96⅞	−0⅛	−0⅛	16.76
Toronto-Dom. Bk. 14 84	50	93⅞	94¼	−0¼	−0⅛	16.87
Tribune O/S Fin. 14 86	50	92¼	92¾	−0¼	−0¼	16.43
Wells Fargo Int 15½ 84	50	98¼	98¾	−0⅛	−0¼	16.12
World Bank 10¼ 87	300	78	78½	−0⅛	−0⅛	16.29
World Bank 14½ 86	500	93½	93¾	−0⅛	−0⅛	16.42

Average price changes... On day −0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	95½	96¼	0	−1⅛	10.73
Austria Rep. of 8¾ 92	150	85⅞	86¾	−0⅛	−0¼	10.39
CECA 7⅞ 92	150	84½	85¼	−0⅛	−1½	10.22
CECA 10 91	120	97¾	98¼	0	−1⅛	10.34
Cll-Honeywell 8½ 90	125	85½	86¼	−0⅛	−0⅛	10.92
Council of Europe 10 91	100	97⅜	98⅛	+0⅛	−0⅛	10.32
EIB 8½ 90	200	87⅜	88⅛	+0⅛	−0⅛	10.60
EIB 10½ 91	200	98⅛	98⅞	+0⅛	−0⅞	10.74
ESCOM 9¼ 87	100	89¾	90½	−0⅛	−0⅝	11.55
Finland, Rep. of 10 89	100	96⅛	96⅞	−0⅛	−0⅛	10.67
Iberduero SA 9 90	100	90⅝	91⅜	−0⅛	−0⅝	10.60
Ind. Bk. Finland 8½ 90	50	88	88¾	0	+0⅛	10.52
Int.-Am. Dv. Bk. 10 91	100	95¼	96	0	−1½	10.73
Japan Air Lines 8⅞ 87	100	88⅞	89⅝	0	−1	10.55
Japan Dev. Bk 7¾ 87	100	87¼	87⅞	−0⅛	−0⅛	10.53
Kobe, City of 8 90	100	86⅛	86⅞	0	−1⅛	10.40
Midland Int Fin. 8½ 90	180	88½	89¼	0	−0⅝	10.44
Nuclebras 9¾ 88	100	86⅛	86⅞	+0⅛	+0⅛	12.75
OKB 8¼ 92	150	84¼	85	−0⅛	−1½	10.70
Oslo, City of 8¾ 90	80	89½	90¼	0	−1⅛	10.59
Renault Acc. 10¾ 85	150	96⅝	97⅛	−0⅛	−0⅞	11.57
Venezuela, R. of 9¾ 90	150	93⅛	93⅞	+0⅛	0	10.89
World Bank 8 90	700	84⅞	85⅝	0	−0⅛	10.63

Average price changes... On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	60	91¼	91½	−0⅛	−0¼	7.80
BFCE 6½ 91	100	92¾	93	−0⅞	−0¼	7.57
Bayer Int. Fin. 5¼ 92	100	†90	90½	+0⅛	+0¼	6.51
Belgelectric Fin. 7¾ 91	100	†98¾	99	+0⅛	+0½	7.91
Bergen, City of 6¾ 91	40	97⅝	97⅞	+0⅛	−1⅛	7.07
CECA 6¾ 91	80	95½	96	+0⅛	+0⅛	7.37
Denmark 5¾ 90	80	87¾	87⅞	+0⅞	+0⅞	7.70
Dome Petroleum 5¾ 91	100	92¾	93	−0⅛	−0¼	6.79
Dome Petroleum 7¼ 90	100	†102⅞	102⅞	+0⅛	+0⅛	6.85
Elct. de France 5¾ 90	100	†83¼	83¾	−1⅛	−1⅛	7.98
Eurofima 5¾ 92	80	98½	99	0	+0⅛	5.90
Finland, Rep. of 5⅝ 90	30	85	85¼	−0⅛	−0⅛	8.01
Franc Petroles 6½ 91	80	†92	92½	−0½	+0⅛	7.68
Genstar 7 91	100	101½	102	0	+1⅛	6.74
Int.-Amer. Dv. Bk. 7 91	100	98	98¼	+0⅛	+0⅛	7.27
Japan Dev. Bank 5¾ 90	100	93⅛	93⅜	0	−0⅛	6.78
Mt. Blanc Tunnel 5½ 90	60	85	85¾	+0⅛	−1	7.86
Newag 5¾ 90	80	91½	91⅜	−0½	+0⅞	7.05
OKB 7 93	100	99¾	100	+0⅛	+0⅛	7.01
Oslo, City of 5⅞ 90	80	88¼	88½	0	−0⅛	7.69
Philips Lamps 5¾ 92	100	87⅝	88	+0⅛	+0⅛	6.88
Swed. Ex. Credit 7¼ 91	75	94½	95½	−0⅛	−3	7.98
Trade Dev. Fin. 6⅛ 90	60	†88¾	89¼	0	−0⅛	7.91
Voest-Alpine 5¾ 90	80	85	85¾	−0⅛	0	8.13
World Bank 6 91	100	91	91½	0	0	7.30
World Bank 7 90	100	100	100¼	−0⅛	0	6.97

Average price changes... On day −0⅛ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¾ 91	15	97⅛	98⅛	0	−0⅛	8.57
Australia 6½ 88	20	85⅞	86⅜	+0⅛	0	9.47
EIB 7¾ 89	12	93¼	94½	−0⅛	−0⅛	8.85
Finland 6.8 88	10	85	86¼	0	−0⅛	9.80
Finland, Rep. of 8½ 87	15	96⅞	97⅞	0	−0⅛	9.11
New Zealand 8⅛ 87	15	96⅞	97⅞	+0⅛	−0⅛	8.98

Average price changes On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 CS	60	†82½	83½	0	+0½	15.83
CIBC 13½ 85 CS	60	†91	92	−0⅛	−0½	15.66
CIBC 11½ 85 CS	60	†84	85	0	+0⅛	17.28
Federal Dev. 11½ 90 CS	60	†75½	76½	0	+0½	15.88
Fst. Can. Inv. 10 84 CS	50	†83	84	0	+0½	18.11
R. Bk. Canada 10 86 CS	40	†83	85	−2	−2	14.91
Tordom Con. 13½ 85 CS	30	†91	92	0	−0½	[illegible]
M. Bk. Dnmk. 9 91 EUA	25	85⅞	87⅛	0	[illegible]	[illegible]
SOFTE 8¾ 89 EUA	40	82¾	83¼	0	[illegible]	[illegible]
U. Bk. Nwy. 9½ 90 EUA	18	90⅝	91⅝	0	[illegible]	[illegible]
Algemene Bk. 10¼ 86 Fl	60	92¾	93¼	−0⅛	−0⅛	12.32
Amro Bank 12 86 Fl	75	98¾	99¼	−0⅛	−0⅛	12.26
Heineken NV 10 87 Fl	100	91⅝	92⅛	+0⅛	−0⅛	11.96
Nat. Nedrlndn. 10 88 Fl	60	93⅛	93⅝	−0⅛	−0½	11.45
Ned. Midd. Bk. 10 86 Fl	75	94	94½	−0⅛	+0⅛	11.85
Pierson 10¼ 86 Fl	60	91¾	92¼	−0⅛	−0⅛	12.59
Rabobank 12 86 Fl	50	98¾	99¼	0	−0⅞	12.40
Air France 14¼ 88 FFr	200	91¾	92¾	0	+0⅛	17.00
Bk. America 14½ 88 FFr	250	89⅝	90⅝	+0⅛	+0⅛	17.78
Charb'nages 13⅞ 85 FFr	400	88⅞	89⅞	0	0	17.64
EIB 14¼ 88 FFr	300	86½	87½	0	−0⅛	17.61
La Redoute 14¼ 85 FFr	125	86½	87½	0	+0⅛	18.94
OKB 14 86 FFr	400	88¼	89¼	0	−0⅛	17.75
Solvay et C. 14¾ 86 FFr	200	92¾	93¾	0	−0⅛	17.03
Swed. E. Cr. 14¾ 86 FFr	250	86½	87½	0	+0⅛	19.04
U. Mex. Sts. 14 85 FFr	150	88½	89½	+0⅛	+0⅛	18.26
Acona 14 85 £	20	92¼	93¼	−0⅛	+0⅛	16.24
Beneficial 14⅝ 90 £	20	83⅞	84⅞	+0½	+0⅛	17.78
BNP 13½ 91 £	15	85⅝	86⅝	0	+0⅛	16.48
CECA 13½ 88 £	20	88⅝	89⅝	+0⅛	0	16.17
Citicorp O/S 13½ 90 £	50	90¼	91¼	−0⅛	−0⅛	15.46
Fin. Ex. Cred. 13½ 86 £	15	92⅜	93⅜	+0⅛	+0⅛	16.02
Gen. Elec. Co. 12¼ 89 £	50	85⅛	86⅛	+0⅛	+0⅛	15.81
Hiram Walker 14¾ 86 £	25	93½	94½	+0⅛	+0⅛	16.15
Privatbanken 14½ 88 £	12	90¼	91	−0⅛	−0⅛	16.69
J. Rothschild 14¾ 90 £	12	92⅞	93⅞	+0⅛	+0⅛	15.70
Royal Trustco 14 86 £	12	93	93¾	+0⅛	+0⅛	16.09
Swed. Ex. Cr. 13¾ 86 £	20	92¼	93¼	−0⅛	+0⅛	16.03
Akzo 9¼ 87 LuxFr	500	89¼	90¼	−0⅛	0	11.82
Euratom 9⅞ 88 LuxFr	500	86⅛	87⅛	0	0	12.92
Eurofima 10½ 87 LuxFr	500	88⅝	89⅝	−0⅛	−0⅛	13.16
EIB 9¾ 88 LuxFr	600	86¼	87¼	−0⅛	−0⅛	12.87
Volvo 9¾ 87 LuxFr	500	86½	86½	−0⅛	−0⅛	13.14

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 90	0¼	98	98½	16/12	18⅛	17.05
BBL Int. 5 88	0¼	99	99½	20/11	18.31	18.45
BNP 5½ 88	‡0¼	99¼	99¾	28/10	18.81	18.91
Christiania Bk. 5½ 91	‡0¼	98½	99	5/11	19.19	19.43
Citicorp O/S Fin. 94	‡0	99¼	99¾	31/8	18⅞	18.99
C. Itoh 5¼ 87	0¼	99¼	99¾	16/9	15.44	15.52
Co-operative Bk. 5 88	0¼	99½	100	16/11	19.56	19.61
Den Norske Credit 6 90	‡0¼	98⅞	99¼	5/11	19.19	19.41
Genfinance 5¼ 87	0¼	99	99½	30/10	16.94	17.07
Genfinance 5¼ 92	0¼	99	99½	30/12	18.31	18.45
Giro and Bank 5⅛ 91	‡0¼	98⅞	99⅛	23/9	19.06	19.23
GZB 5¼ 92	‡0¼	98	98½	5/9	17⅛	17.58
Ind. Bank Japan 5¼ 88	0¼	99	99½	9/10	16.44	16.56
Lloyds Eurofin 8 90 £	0¼	97¼	97¾	6/1	13⅛	13.87
Lloyds Eurofin 5¼ 92	0¼	98¼	98⅞	4/12	17.44	17.78
LTCB Japan 5¼ 86	0¼	99¼	99¾	13/12	17⅛	17.34
LTCB Japan 5½ 89	0¼	99⅛	99⅝	16/1	18.32	18.39
Man. Hanov. O/S 5¼ 94	‡0¼	99⅝	99⅞	30/8	19.06	19.16
Merrill Lynch O/S 87	‡0¼	100⅛	100⅝	9/11	19.06	18.98
Midland Int. Fin. 5¼ 92	0¼	98⅞	98⅞	5/12	17⅛	17.62
Midland Int. Fin. 5 91	0¼	98½	99	30/10	16.81	17.03
Nacional Fin. 6¼ 88	0½	98⅞	99⅜	25/1	19⅛	19.42
Nacional Fin. 5½ 88	0¼	97½	97¾	25/9	14⅞	15.28
Nat. Bk. Canada 5¼ 88	0¼	98⅛	98⅞	24/9	14⅛	14.70
Nat. West. 5¼ 94	§0⅛	98½	98⅞	14/10	16.19	16.45
Nat. West. Fin. 5¼ 91	§0¼	98⅜	98⅞	15/1	18⅛	18.38
Nat. West. Fin. 5¼ 92	§0¼	98⅛	98⅝	23/10	16.81	17.09
Pemex 6 91	0¼	97	97½	8/10	15.31	15.75
Societe Generale 5¼ 91	0¼	98⅛	99⅛	22/1	18⅜	18.84
Sparebanken 6 87	0⅛	97⅞	98⅛	19/12	16.81	17.13
Svenska Hndlsbk. 5 87	0¼	99⅛	99⅝	15/1	18⅛	18.24

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	93	94	−0⅛	−1.20
Bow Valley Inv. 8 95	4/81	23.12	102½	104	−0⅛	16.81
Canon 6¾ 95	1/81	629	198⅞	201⅜	−7	−5.81
Credit Suisse 4¾ 93	10/79	1238	89	91	0	8.67
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Korf sees U.S.-led recovery for 1982

By Roger Boyes in Bonn

EMBEDDED IN the European steel crisis, the Korf steel, engineering and process plant group saw profits fall last year. It expects at least one of its three main steel producing divisions to be in the red in 1981.

But Herr Willy Korf, the chief executive, expresses remarkable optimism about 1982 and stresses that strong demand in the U.S. could help Korf's results to recover.

Herr Korf was particularly critical of the European Commission measures to phase out steel subsidies by 1985, which will put considerable pressure on the largely unsubsidised German producers for a further four years. Herr Korf, who founded the group some 15 years ago, argues that the European steel crisis is much of its own making and that Japanese and U.S. steel companies are making substantial profits.

Certainly Korf's performance, though burdened by the low prices and keen EEC competition, bears up quite well by European standards.

Sales in the three steelmaking divisions—Badische Stahlwerke (BSW), Hamburger Stahlwerke (HSW) and Societe des Acieries de Montereau (SAM)—rose by 8.6 per cent to DM 917m ($367m), though SAM's DM 190m is not consolidated. Total group turnover, including mechanical engineering and plant, rose by 10 per cent to DM 1.11bn.

On this low turnover, relative to the major German producers such as Thyssen and Krupp, Korf turned in net profits of DM 25.7m, down from DM 27.6m, and the parent company, Korf Stahl, saw profits dip from DM 15.1m to DM 14.5m.

There will be no dividend and the earnings will go towards paying off the losses accumulated by the group prior to 1979.

A number of imponderables make it difficult to forecast performance in 1981, but Herr Korf made it clear that HSW will drop into the red this year, largely because of energy costs. BSW and the French SAM are expected to stay out of the red. Productivity has been improved in all three steel producing divisions and further rationalisation measures at the Hamburg-based HSW will mean some 200 redundancies.

However, Herr Korf is brightly confident about 1982. On the one hand, the current productivity drive in all divisions will make Korf more competitive: on the other, demand outside Europe, especially in the U.S., is expected to improve.

Sluggish domestic demand hits Toyota Motor result

BY OUR FINANCIAL STAFF

TOYOTA MOTOR, the largest of the Japanese car manufacturers, suffered a fall in net profits of 7.6 per cent to Y132.73bn ($582m) in the year to June 30, at parent company level, on sales up 5.9 per cent to Y3.510bn ($15.4bn).

The results, which are in strong contrast with those of the previous year, when net income was up almost 41 per cent to Y143.57bn, on sales ahead by 17.4 per cent to Y3,310bn, reflect sluggish domestic demand for cars, and higher costs for raw materials, parts and electricity.

In the current year, Toyota is looking for a rise in sales of about 5.4 per cent to Y3.700bn, but it pitches its profit hopes no higher than the holding of last year's level, though it makes no firm prediction in view of economic uncertainties at home and abroad.

Behind the 1980-81 net profits figures lie a fall of 39.9 per cent to Y140.18bn in operating income, partly offset by a rise of 29 per cent to Y101.94bn in non-operating. The tax bill was reduced by 32.1 per cent to Y98.5bn.

Mr Eiji Toyoda, the Toyota president, points towards earnings for the current year being held back by more intense international competition in the small car field. The company aims to sell 3.35m vehicles this year, against 3.26m last. Exports are expected to fall by 5.6 per cent to 1.7m from 1.8m, but domestic sales to rise 13 per cent to 1.65m from 1.46m with an improvement in the Japanese economy.

The forecasts come on the back of a different experience last year, when domestic sales were down 7 per cent and sales abroad up 6.9 per cent.

An unchanged dividend of 14 cents a share has been declared for the year.

Offshore side lifts Wilhelmsen

BY FAY GJESTER IN OSLO

NORWAY'S largest shipping group, Wilh. Wilhelmsen, more than doubled operating results after depreciation in the first half of 1981.

The improvement — to NKr 190m ($31.3m) from NKr 80m —chiefly reflects sharply higher earnings from oil rigs and offshore supply vessels, although earnings in the bulk and liner trades also improved. Wilhelmsen's only tanker is still laid up.

The strength of the dollar also helped to lift the results, though this factor was partly responsible for an increase in net financial costs, which reached NKr 79m in the six months, compared with NKr 55m.

Capital gains from ship sales amounted to NKr 5m, compared with NKr 185m a year earlier. As a result, profits at the bottom line are lower — at NKr 116m, against NKr 210m.

The half-year report describes the results as "good." Gross freight earnings totalled NKr 1.72bn compared with NKr 1.29bn, and the operating result before depreciation reached NKr 310m against NKr 190m.

Ordinary depreciation is put at NKr 120m compared with NKr 110m. The result after depreciation and financial items was NKr 111m against NKr 25m.

Wilhelmsen currently manages a fleet of 52 ships and five rigs.

Industriekreditbank to pay an unchanged dividend

BY JONATHAN CARR IN DUSSELDORF

AN UNCHANGED dividend of DM 7 a share is proposed by Industriekreditbank - Deutsche Industrie Bank (IKB) for the year ended March 31, a period in which IKB has weathered the storms relatively well.

IKB—generally known as the West German entrepreneurs' bank because it specialises in lending to industrial customers —increased net profit slightly to DM 30m ($12m) from DM 29.9m a year earlier, of which DM 12.4m is being added to reserves. Total assets increased by 9.1 per cent to DM 11.6bn, and the interest surplus rose by 4.7 per cent to DM 137m.

The structure of the bank's lending reflects the dilemma in which many German businesses find themselves, with interest rates high and economic activity low.

IKB says its customer loans rose by 11.5 per cent to DM 9bn, of which DM 8.4bn were long-term loans (up by 8.3 per cent) and DM 600m short- and medium-term loans, which have actually doubled from the figure a year earlier.

The doubling in these maturities came because many companies have insisted on borrowing short-term to finance longer-term investment plans in the expectation of an early fall in interest rates, which has failed to materialise.

The upshot, according to the bank, is that a greater number of enterprises are suffering grave financial instability, squeezed by low use of capacity and high raw materials and energy prices on the one hand, and big, short-term interest-rate payments on the other.

This is one reason why the bank says it greatly welcomes the recent DM 6.3bn programme, aimed at boosting investment into energy savings and new technology, jointly agreed this spring between the West German and French governments.

IKB notes that the subsidised interest rates available under the scheme are for medium-term loans. This should help to switch the balance away from short-term borrowing and to restore a greater measure of stability to the financial structure of smaller and medium-sized companies.

Sharp gain for Hong Kong property group

By Our Hong Kong Correspondent

AN INCREASE of 193.4 per cent in net after-tax profits to HK$146m (U.S.$25m) has been achieved by Trafalgar Housing, the Hong Kong property company, in the year to March 31, a year in which the group was transformed both in size and investment direction.

Against the background of an equity capital increase from just under 200m shares to 460.89m, earnings a share were up 28 per cent to 32.1 cents.

But Trafalgar's ambition is to establish itself as a multinational corporation. To this end, Mr John Wu, the managing director, says the company is now seeking a quotation on the Luxembourg stock market. This will meet needs of fund managers who may be restricted to investment in member countries of the Organisation for Economic Co-operation and Development, he argues.

Despite a diversification programme, which has, for instance, carried the company into energy resources in the U.S., Trafalgar's profit is still derived mainly from property sales in Hong Kong and Macau.

High level of imports boosts Safmarine

By Jim Jones in Johannesburg

SAFMARINE, the South African merchant shipping line, increased its trading profit before depreciation and interest to R124m ($132m) for the year to June 30, from R108m in the preceding year. Group revenue rose to R562m from R426m.

A dividend of 32 cents a share has been declared from earnings of 78 cents a share. In the previous year, earnings were 57 cents a share and the dividend 25 cents.

The company handled about 40 per cent of the country's shipborne trade and its directors say that Safmarine benefited from high import volumes during the year. However, substantial costs were incurred in repositioning partly-filled ships and containers because of a relatively low level of general cargo exports. Despite this, the Safmarine fleet, including the expanding bulk and reefer divisions, was well utilised.

Additional ships have been bought and chartered to provide extra bulk capacity. It expects to add to its bulk carrier fleet to cope with sharply higher coal exports expected from Richards Bay within the next few years.

New Swiss fund

A NEW Swiss investment fund specialising in Far Eastern securities is to be set up by Credit Suisse under the name of Pacific-Valor.

The Colony's latest takeover battle threatens to have a deep effect on Hong Kong's financial controls, reports **Kevin Rafferty**

HK bid authorities under fire

THE BITTER battle for control of the China Motor Bus Company (CMB) has resulted in victory being claimed by the Ngan family, the founding and ruling directors of the company which has a monopoly of bus services on Hong Kong Island. The shouts of battle have not died away, however, and the issue of the controls under which Hong Kong companies operate has again been thrown into relief.

Mr W. R. A. Wyllie, the former chief executive of Hutchison Whampoa, the trading house or "hong," and the chairman of Athlone, the wholly-owned subsidiary of Paliburg Investments which lost the battle, was first to make his feelings plain.

In what he terms "a scathing response," he has accused the official Committee on Takeovers and Mergers of making "a complete mockery of the supposed role of both the committee and the Securities Commission, which is to protect minority shareholders in takeover situations of this type." He adds that the CMB affair "could only further weaken their already limited credibility."

A member of the Committee, the members of which are customarily not named, comments: "It was a good learning experience and will have added pages to the takeovers code."

One big handicap for the authorities was that they found themselves making the rules as they went along. Thus, they set a precedent, in allowing a partial bid for the bus company, without having a solid casebook of contested general bids before them. The CMB battle was only the third contested takeover struggle in recent Hong Kong history.

The authorities seem to have considered the London Takeover Code and decided that the rules there—that a partial offer must have the approval of the directors of the company and the support of a majority of shareholders—would not get off the ground in Hong Kong. A partial offer was approved on the grounds that the CMB franchise required it to be publicly quoted.

Athlone made the first partial bid, and once the Takeovers Committee had accepted this, it had to grant the same opportunity to other bidders. Control was interpreted as 50.1 per cent or more. That Athlone and Paliburg chose to go for 56.9 per cent rather than a bare majority was their decision and not held to bind the Ngans.

The next controversial decision was to allow dealings in the market or otherwise, besides the offer. Although Wardley protested later that this gave the Ngans further advantage. Both the Takeovers Committee and Mr Uisdein McInnes, the Commissioner for Securities, pointed out that dealing was allowed at the behest of Wardley. Mr David Hinde, director of Wardley, said that they wanted only to sell, and not to buy.

When the Commissioner of Securities approved the offer of Snowspark Investments, the company 80 per cent owned by the Ngans, he approved a much smaller offer than the Athlone. It was for only 2.6m shares, or about 7 per cent of the CMB capital, as the Ngans had gathered support to take their holding to 48 per cent. Athlone had made an offer for 13.5m shares. The Snowspark offer document was not laid directly before the Takeover Committee, but was approved by Mr McInnes on its behalf, after Schroders and Chartered, Snowspark's and the Ngans advisers, had told him "that the conditions of this offer were in general terms broadly consistent with those contained in the Athlone offer."

Five days passed before it was spotted that there was a divergence between the two offer documents: in that the wording of the Snowspark offer allowed it to count any shares bought in the market or otherwise towards the 2.6m shares it needed. As it was, Athlone was committed to the 13.5m shares besides whatever it could get in the market.

The discrepancy was pointed out by Jardine Fleming, the adviser to the minority shareholders. After days of argument, Snowspark agreed to accept at least 1.6m shares tendered as a result of its offer as well as its market purchases.

It is not clear to what extent the CMB affair will bring change. The Takeovers Committee will probably be loathe in future to allow partial offers, and will, it seems certain, forbid buying in the market during such offers.

But it was apparent in the course of the bargaining that the Hong Kong Market is much more complicated than the London. Though CMB is a public utility, it is evident, in the way the price has risen in the last few months, that its main attraction has been in undeveloped property assets. In addition, the contest became a family feud, between the Ngans and the Los who control Paliburg.

Hong Kong business affairs, beoing centred on close and enclosed Chinese families, are in their nature, more complicated and secretive than those of the west. There is for example a device known locally as the Chinese tea party. The parties sit around and pass the time of day and discuss the topics of the moment, and refer obliquely to matters of business and past, family favours.

Family honour may prove more powerful than commercial business. Thus in the CMB matter it was widely said that, though the Athlone offer stood at HK$ 41 a share and the Snowspark one at HK$ 38.50, the Ngans would pick up at least 1m shares as soon as trading was resumed. And, sure enough, in the brief session before the price dropped sharply, the Ngans picked up 700,000 shares and Snowspark 1m at prices up to HK$ 41 a share.

In spite of the extra complications of business Chinese style, the Hong Kong Takeover Code has fewer teeth than the London one. It is voluntary, and it has not been published.

The Government has two directors to represent it on the CMB Board. They deliberately took no part in the discussions until the last week. The Government appointees' role, it was argued, was to look after the interests of the travelling public. Outside Government circles, however, it was questioned whether a director was free to pick and choose the matters in which he involved himself.

There is a feeling in Hong Kong, that if the Colony wishes to enhance its reputation as an international centre for institutional investment the Government must be seen more clearly to be backing rules and regulations.

NGANS WIN CHINA BUS

THE BATTLE for control of China Motor Bus company drew to its predicted close over the weekend, when it became clear that Snowspark Investments had received acceptances for a further 2.2m shares, following its final offer of HK$41 a share, valuing CMB at HK$1.5bn (U.S.$250m), our Hong Kong Correspondent writes.

This makes the bid unconditional and brings the stake controlled by the Ngan family in the public transport utility, with substantial property interests, to 52.1 per cent. Snowspark, formed to counter a bid for control by Athlone, is 80 per cent owned by the Ngan family.

This leaves Athlone, the subsidiary of Paliburg Investments, with a little more than its original 20 per cent stake in CMB.

Jardine Fleming, the merchant bank acting for CMB, has advised minority shareholders to take advantage of the increased offer of HK$41, in view of the fall in the utility's quoted price to HK$28.40 during trading yesterday. The offer continues till September 5.

WORLD STOCK MARKETS

Early Wall St fall of 13.7

A BLEAK outlook for interest rates caused a rapid fall in stock prices on Wall Street across a very broad front yesterday morning in heavy dealings.

The Dow Jones Industrial Average, after declining 7.8 on Friday to set a new closing low for the year, fell 13.70 to 906.87 at 1 pm yesterday. The NYSE All Common Index weakened \$1.58 to \$73.52, while declining issues outpaced rises by an extremely wide margin of 13-to-one. Trading volume expanded to 33.26m shares from Friday's 1 pm level of 27.58m.

Monte Gordon, of Dreyfus Corporation, said the market had been buoyed somewhat over recent weeks by hopes that high interest rates would soon ease. *But mounting evidence* to the contrary ended any such expectations, resulting in yesterday's heavy selling.

Analysts said the decline was precipitated by the \$800m rise in the money supply last week, reported after last Friday's market close. The market had expected a fall in the measure.

Also, credit markets were sharply lower yesterday morning, and John Smith, of Fahnestock and Co., said investors read the decline in that market as a further indication that interest rates would remain high.

Oil stocks were particularly hard hit following the failure of the OPEC ministers to agree on an oil price increase last week.

On the actives list, **Exxon** lost ¾ to \$33⅛, **Mobil** ⅝ to \$29⅜. **Texaco** ¾ to \$37¼, **Union Oil** \$1⅜ to \$39⅞, **Texas International** \$3 to \$34⅜ and **Cities Service** \$4½ to \$62.

Railroad and Airline issues were also very weak, and the Dow Jones Transportation Average was off 13 points. **Burlington Northern** receded \$1⅝ to \$48⅞, **Union Pacific** \$2¼ to \$57¼, **Norfolk and Western** \$1⅝ to \$42, **Usair** \$1½ to \$15⅞, **Pan-Am** ¼ to \$2⅞, **Eastern** ½ to \$7⅞ and **Texas Air** ½ to \$8⅝.

Sony was one of the few firm spots, up ⅛ to \$20⅜ in active trading. It announced a video-still camera which uses a magnetic disc rather than conventional film.

American Hospital Supply lost \$2 to \$40¼. It plans to acquire Bentley Laboratories.

THE AMERICAN SE Market *Value Index was 9.71 weaker at* 354.94 at 1 pm after volume of 3.83m shares (3.15m).

Closing prices for North America were not available for this edition.

Canada

Gold shares led a further broad and sharp retreat in fairly active early trading yesterday. The Toronto Composite Index was down 27.1 at 2,219.0 by midday, while Golds fell 119.6 to 4,089.8, Oil and Gas 83.4 to 4,700.2 and Metals and Minerals 16.2 to 2,223.8. In Montreal, Utilities shed 4.02 to 254.44 and Papers 1.72 to 241.97.

Among the actives, **Dome Petroleum** shed ⅛ to C\$18⅜. **Hudson's Bay Oil and Gas** ½ to C\$44¼ and **Texaco Canada** 2¼ to C\$43.

Tokyo

After retreating in Saturday's half-day session, the market remained easier-inclined yesterday in light trading. Some of the recently-favoured Heavy Electric Machines, high-priced Light Electricals, Precision Instruments and Synthetic Fibres were lower, while Oils were depressed following the outcome of the *OPEC meeting*. However, there were a few strong spots among Pharmaceuticals.

The Nikkei-Dow Jones Average *lost 20.54 to 7,917.53* and the Tokyo SE index 0.57 to 598.59, following respective falls of 57 points and 2.97 on Saturday. Declines outnumbered gains by 296 to 240 on the First Market after volume down sharply to 180m shares from last Friday's 300m.

Sony shed Y30 to Y4,660, **TDK Electronics** Y50 to Y4,900, **Canon** Y50 to Y1,760, **Fuji Photo Film** Y30 to Y1,870 and **Nippon Oil** Y13 to Y862, while among Heavy Electric Machines, **Hitachi** receded Y6 to Y853 and **Toshiba** also Y6 to Y487.

In contrast, **Taisho Pharmaceutical** advanced Y51 to Y610 and **Takeda Pharmaceutical** Y13 to Y966.

Mixed **Motors** provided a *bright spot in Toyota, up Y40* to Y1,500, following a smaller-than-expected reduction in after-tax annual profits.

Germany

Lacking the foreign buying interest which helped the market to firm last week, shares generally declined yesterday in thin trading. Brokers said prices of a few shares took particularly sharp losses when professional investors began position squaring operations. The Commerzbank index slipped 4.9 to 728.6.

Preussag was again the focus of attention, closing DM 7 weaker at DM 215, after trading as low as DM 213. Dealers attributed the fall to continued unwinding of speculative positions following denial last Thursday by Westdeutsche Landesbank that it intended to sell its stake in Preussag.

Engineerings had **Linde** down DM 5.30 and **MAN** off DM 4, but a firm exception elsewhere was **Deutsche Bank**, which gained DM 1.30.

Domestic Bond prices were narrowly mixed in a quiet market, with movements of plus or *minus 20 pfennigs the order of* the day.

Australia

Gold stocks attracted buying attention in otherwise predominantly easier markets yesterday as indications of a more stable Bullion price enticed *overseas funds into selected* issues. The All Ordinaries index slipped 6.5 to 638.6.

Central Norseman Gold put on 12 cents to A\$7.56, while **GMK** firmed 20 cents to A\$7.20 and **Emperor** 5 cents to A\$1.85.

Gold issues were helped by Opec's failure to set a new uniform price structure, but the Opec outcome depressed the Oils sector. Leading oil producer **BHP** dipped 20 cents to A\$12.90, while **Woodside Petroleum** declined 10 cents to A\$1.70 and **Santos** 12 cents more to A\$6.32.

Elsewhere, **CSR** retreated 18 cents to a 1981 low of A\$5.18, **Western Mining** 10 cents to A\$4.50, **Dunlop** 7 cents to A\$1.18 and **Woolworths** 6 cents to A\$1.72.

Hong Kong

After an early fresh improvement on some follow-through to last Friday's late buying interest, the market faltered on fears over the continued weakness of the local currency and finished on a mixed note. The Hang Seng index, which rallied 10 points on Friday, closed only a net 1.45 harder yesterday at 1,717.27.

There was a fair turnover on the four exchanges of HK\$509.11m, compared with Friday's HK\$475.34m.

The performance of the index was also adversely affected by a HK\$3 fall for **Hang Seng Bank** to HK\$139 on disappointing half-year results, announced on Friday.

Cheung Kong gained 50 cents to HK\$31.50 but **Jardine Matheson** shed 20 cents to HK\$22.00, while outside the leaders **Green Island Cement**, HK\$70.00, and **Hongkong Hotels**, HK\$60.50, put on 50 cents apiece, but **Hopewell** lost 60 cents to HK\$19.40.

Johannesburg

Gold shares were mixed to firmer despite a decline in the Bullion price. Heavyweights gained up to 125 cents, as in Buffels, at R44.25, while Mediums and Lightweights mainly ended up to 25 cents either side of Friday's close.

Mining Financials, however, mostly eased, with Amgold falling R5.50 to R98.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

BRAZIL

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO

NEW YORK ACTIVE STOCKS

COMMODITIES AND AGRICULTURE

Copper down £20.25 in London metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

LONDON metal markets came under renewed selling pressure yesterday, following the rise in value of sterling against the dollar and some hefty increases in stocks held in the London Metal Exchange warehouses.

Copper cash wirebars, which reached a 17-month peak of £1,020 this month, dropped again yesterday by £20.25 to £937.25 a tonne. The weak trend in New York values on Friday brought an easier opening and the market was further depressed when it was learnt that copper stocks in LME warehouses last week rose by 2,125 tonnes, lifting total holdings to 116,850 tonnes.

Values steadied at the lower level, as consumer buying interest came in and the market rallied. It was later reported from Lima that Peruvian Central Mining Company workers had called off an indefinite strike, but this had little impact because the stoppage by Southern Peru workers continues.

Although cathode prices have been pushed to equal those of wirebars, as a result of a shortage of scrap and immediately available supplies, the market as a whole has bene hit by the lack of any move to cut high U.S. interest rates and domestic price cuts by several American producers.

Lead has suffered an even greater setback. Cash lead, which topped £500 this month, yesterday dropped well below £400, closing £17 down at £393 a tonne after having been even lower at one stage.

News of U.S. lead producer price cuts yesterday followed by Noranda of Canada was followed by a statement from AM and S Europe that it hopes to resume production on September 14 at its Avonmouth smelter. A blower failure there on August 11 halted output and caused Broken Hill to declare force majeure on lead bullion shipments, although AM and S is meeting zinc delivery commitments from accumulated stocks.

Also encouraging speculative selling of lead, apart from stronger sterling and the fall in copper, was a rise in warehouse stocks, which rose by 1,100 tonnes to a total of 42,875 tonnes.

Zinc stocks were up too, by 1,950 to 86,925 tonnes, but prices held steady ending the day unchanged after falling in early trading.

The failure to settle the strike at Tara Mines in Ireland means that supplies of concentrates available for European smelters remain very tight. It was noted that Penarroya on Friday became the second European producer to lift its producer price from $925 to $1,000 a tonne in line with the rise already introduced by Canadian and Australian producers.

A rise of 1,980 tonnes, more than expected, took tin stocks to a record level of 12,320 tonnes. The market was also depressed by a decline in the Malaysian market over the weekend and reports that one prominent dealer, who has been helping to support the market, had sold supplies to European consumers.

In Kuala Lumpur, Mr William Brock, the U.S. trade representative said the U.S. had tried hard to reach an accord with tin producers on the terms of the proposed sixth International Tin Agreement.

Mr Brock, who was visiting Malaysia as part of a 10-nation Asian tour, said the U.S. was now reviewing details of the proposed agreement, which was opened for signing this month. He added that any U.S. decision to join the agreement after all, in spite of the reservations expressed at the Geneva negotiating conference, would take time as it had to go through an extensive inter-agency process.

Aluminium stocks were up again by 1,750 to 84,925 tonnes; nickel by 30 to 2,490 tonnes and LME silver holdings increased by 820,000 to 28,370,000 oz.

3-month low for sugar

By Our Commodities Staff

THE DECLINE in world sugar values continued yesterday, with the January position on the London futures market falling £8.725 to a 3-month low of £178.275 a tonne.

Prospects for a bumper European sugar beet crop this year remained the main factor encouraging the decline, but it was also helped by a forecast of reduced import demand.

In his latest international sugar report, Mr F. O. Licht, the influential West German sugar statistician, said countries such as Mexico, Peru, Venezuela and Poland, all of which had to import last season because of crop problems, should have plentiful home-grown supplies this season.

He also suggested that isoglucose (maize syrup) would continue to make inroads into the sweetener market at the expense of sugar in the U.S., Canada and Japan. In recent years these three countries have accounted for about half net free market imports of sugar.

In New Delhi, Mr R. V. Swaminathan, the Minister of State for Agriculture, said India was likely to have no difficulty meeting its sugar export quota for 1982. India banned exports this season because of a domestic shortage but Mr Swaminathan said 1980-81 production prospects were good.

Thai sugar cane production is expected to rise from 18.6m tonnes in 1980/81 to 25m this season (yielding about 2.1m tonnes of sugar) officials said in Bangkok.

That would mean an export availability of about 1.5m tonnes, they added.

U.S. MARKETS

Keeping traders at home

BY NANCY DUNNE IN WASHINGTON

THE GULF between commodity traders in the U.S. and abroad lies more in the philosophical differences which govern their markets than in the oceans dividing them.

Although the Commodities Futures Trading Commission, under Mr Philip Johnson, a Reagan appointee, is moving the industry towards more self-regulation, trading here still will operate under strict surveillance and control.

Brokers are even now being registered, fingerprinted and tested. Large position limits are still being reported. Commodity "pools" are receiving closer scrutiny than ever.

The recent debate in Congress over commodity tax straddle legislation brought to the surface two proposals designed to keep American traders at home despite the loss of the commodity straddle as a tax shelter.

One, discussed in the Democratic caucus, would have prohibited tax deductions on foreign trading losses.

The other, which was passed by the House but eliminated in the House-Senate conference, was a little-noted provision which would have called for more proof than is now required for tax deductions on "non-business transactions outside the U.S." This measure carried within it the danger that the London exchanges might have refused to provide the information, thereby losing business from American traders reluctant to enter a market where potential losses would not be tax-deductible.

The fact that neither of these provisions passed does not mean Congress will never resort to protectionist measures should it seem necessary to shore up American markets.

The foreign-traders rule, under consideration by the CFTC, is expected to be a big irritant to foreign traders should it pass. The proposal would allow the commission to demand information from brokers representing foreign clients. If the information is not forthcoming, then brokers would be required to liquidate their customers' accounts. However, doubts have risen about its legality and the commission may wait to examine the legal implications and the consequences for foreign participation in American markets.

Nevertheless, feelings are strong at the CFTC and on Capitol Hill that in cases where market manipulation is suspected, foreign traders should have to make the same kind of disclosures as American traders. That view was typified by Miss Barbara Timmer, counsel for Rep Benjamin Rosenthal's Commerce Consumer and Monetary Affairs Subcommittee, which has responsibility for overseeing the CFTC.

"A lot of the arguments against disclosure result from greed," she says. "There is a real lack of accurate information. Those who clamour the most against disclosure know they can get inside information somewhere."

European traders, on the other hand, are prepared for enactment of the foreign-traders rule by laws forbidding disclosure. The British have the protection of the Trading Interests Act, passed last year, which was principally designed for anti-trust cases but applies to traders. The Act gives legal protection to British companies against demands for information by U.S. courts.

It has been invoked only once, in a little-publicised case concerning Alan J. Ridge and Co. of London.

In 1979 the CFTC, noting unusual fluctuations in coffee, sugar and cocoa exchange, suspected an attempt to manipulate prices by tying up certificated stocks.

On January 16, 1980, the CFTC sought information and access to Ridge's records on the transfer or deposit of the coffee and wanted to know its use and disposition. Throughout several hearings the London company refused to provide the information, and ultimately, the British Trade Secretary invoked the act.

The case is still going. Similar cases have arisen in regard to Swiss firms, but there were dropped on technical grounds. The underlying issue has never been settled: will foreign firms be subject to the regulatory requirements of the CFTC?

It is unlikely that the issue will be resolved before next May, when the CFTC faces examination in its reauthorisation hearings before Congress. Even then, it is unlikely that Congress will add much clarification. The number of congressmen who understand futures trading is small and their interests are mainly parochial.

The commodities markets receive attention on Capitol Hill chiefly after scandals and panics which invariably result in calls for tighter regulations. Few congressmen are likely to worry about the possible collision of foreign and American views and the resulting fallout in the marketplace.

Belize exports expected to fall

BELMOPAN — Belize sugar exports are expected to fetch not more than $90m (£48m) and the banana industry less than last year's $6.9m, the government said.

Sugar production this year dropped to 97,500 tonnes from last year's 103,278, while export of bananas is expected to be 743,046 boxes compared to 764,872 last year.

Smut disease was to a large extent blamed for the drop in production, but farmers are now replanting with smut-resistant varieties of cane and the first sign of recovery is expected in 1983 with improved crops by 1984 and full recovery in 1985.

Some 313,046 boxes of bananas were exported in the first half this year, and the projection for the rest of the year is 430,000.

Reuter

Soviet grain harvest 'down on last year'

BY OUR MOSCOW CORRESPONDENT

SUGGESTIONS that the Soviet grain harvest this year might after all exceed last year's poor crop of 189m tonnes were firmly refuted here by Western agriculture experts. It is considered that the U.S. Department of Agriculture forecast last month of a 185m-tonne crop may be still too optimistic.

It is too early to make final estimates, since not all the grain has been harvested. Soviet officials said the harvest was 58 per cent completed by August 19. Yields of grain in the European parts of the Soviet Union and Ukraine, in the opinion of Western experts, are around or just below average.

But the yields on land along the River Volga have been hit by the unusually dry May, June and July. In the new lands of Kazakhstan only 20-30 per cent of the harvest has been gathered in, but the expected normal crop there would not offset the poor results in certain European grain-producing areas.

Reuter reported from Vienna that Czechoslovakia's 1981 grain harvest, hit by bad weather, will be below the 11m tonne target, Mr Frantisked Pitra, the Communist Party Secretary, said.

● Australian dock workers yesterday ended their two-week nationwide ban on grain exports, Mr Norm Docker, Waterside Workers Federation assistant general secretary, said.

Hard cheese sales up 3%

By John Wicks in Zurich

SWISS exports of hard cheese rose in volume by 3 per cent in the year to the end of July. Of total foreign sales of 50,350 tonnes, a share of 41,760 tonnes alone was accounted for by Emmentaler, 5,795 tonnes by Gruyere and 2,795 tonnes by the grating cheese Shrinz.

Exports made up over 60 per cent of total sales, which increased by 3.2 per cent over the 1979-80 figure to 82,780 tonnes. Of this, 57,220 tonnes was Emmentaler, 20,730 tonnes Gruyere and 4,820 tonnes Shrinz.

Kangaroo meat probe stepped up

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIAN federal police investigations have been stepped up after it was discovered last week that kangaroo meat as well as horse meat has been found mixed with export beef in cartons bound for North America but impounded in Melbourne.

The discovery of kangaroo meat in cartons purporting to be boneless beef has added further to cattlemen's worries that the A$1bn (£600m) beef trade with the U.S. is in jeopardy after discoveries two weeks ago of horse meat in Australian beef consignments to California.

Mr Peter Nixon, the Primary Industry Minister, acknowledging that beef sales to the U.S. had slowed, confirmed yesterday that Australian Bureau of Animal Health tests on samples from cartons of beef with the Profreeze Meatworks label showed kangaroo and horse meat mixed with beef. So far no account has been given of how the substitutions could have taken place.

Cattlemen are furious at the delay in detecting the culprits and have called for a judicial inquiry to establish how the tampering eluded Australia's strict meat inspection system.

Mr Nixon has promised to increase fines for breaching meat inspection regulations from the current A$1,000 to A$100,000.

In one set of samples from 25 cartons of Profreeze meat labelled boneless beef, 24 showed the presence of horse-meat, 16 kangaroo and five beef. Samples indicated the cartons contained a mixture of meat.

Samples from cartons known to have been packed at the Profreeze establishment under Bureau of Animal Health inspection supervision contained only beef. This adds weight to suggestions that substitution is occurring outside the meat inspection system.

In Australia, horse meat is not considered fit for human consumption but there is a pet food industry and a growing export market.

The horse meat industry is divided into knackeries for the pet food industry and abattoirs where the horses are killed under supervision for the export trade.

It is illegal for an abattoir to kill both cattle and horses. It must have either a bovine or an equine licence but cannot have both.

Official statistics show that in 1979-80, 571 tonnes of boneless horse meat was exported and in the 11 months to May 1981, this had risen to 6,437 tonnes. The number of horses slaughtered in the same periods rose from just under 10,000 to 41,000.

'Farm prices recovering'

By Our Commodities Staff

AGRICULTURAL LAND prices in the UK seem set to come out of their recent recession, according to Farmland Market, a twice-yearly journal.

It the latest issue it says the average price of vacant possession farm land sold in the first half of this year was £1,858 an acre, 2.5 per cent less than the 1980 average but only 1 per cent down on the second half of last year.

Prices ranged from £1,523 to £2,263 an acre with an averaged gain of £285 being registered in eastern England and a fall of £329 in the south-east.

The number of sales has fallen by a third in the last two years, the journal notes. "As supplies decrease demand pushes up prices," it explains. "This point in the cycle has now been reached. Values seem set to improve—though only slowly."

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were sharply lower on the London Metal Exchange reflecting the rise in sterling against the dollar, increases in stocks held in LME warehouses and the return to work by Peruvian copper miners. Copper fell to £954 at one stage but rallied to close at £965 while Tin closed well above the day's low at £8,120. Lead touched £391 prior to ending the day at £404 and Zinc rallied from £493 to close the late Kerb at £517. Aluminium was finally £665.5 and Nickel £3,205.

Amalgamated Metal Trading reported that in the morning copper cash wirebars traded at £932, three months £957, 56, 57, 58, 59, 60, 62, 61, 62, 63, 62, 62.5, 63, 63.5, 63. Cathodes, cash £933, three months £958. Kerb: Wirebars, three months £964, 65, 64.5, 65, 66, 65.5, 66. Afternoon: Wirebars, three months £964, 64.5, 65, 67, 66, 66.5, 67, 67.5. Kerb: Wirebars, three months £965, 64, 63, 62, 60, 62, 61.5, 62, 63, 64, 65, 64, 64.5, 65, 66, 65. Turnover: 21,275 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	933-.5	—28.5	937-.5	—20.2
3 months	963-4	—28.7	967.5	—21.2
Settlem't	962	....	—	......
Cathodes	933.5	—28.5		
Cash	933.4	—28	935-7	—18
3 months	958-9	—28.2	960-2	—19
Settlem't	934	—29	—	......
U.S. Prod	—		*86.7-88.25	......

Tin—Morning: Standard, cash £7,980, 8,000, three months £8,060, 80, 90, 8,100, 20. Kerb: Standard, three months £8,110, 8,090, 8,100, 8,090. Afternoon: Standard, three months £8,080, 8,100, 8,120, 30. Kerb: Standard, three months £8,110, 20. Turnover: 2,070 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8000-10	—80	7990-8000	—90
3 months	8120-30	—60	8130-40	—70
Settlem't	8010	—80	—	......
Standard				
Cash	8000-10	—80	7990-8080	—90
3 months	8120-30	—60	8130-40	—70
Settlem't	8010	—80	—	......
Straits E.	£535.10	—0.11	—	......
New York	—	......		

Lead—Morning: Cash £392, 90.5, three months £392, 93, 96, 97, 98, 99, 400, 400.5. Kerb: Three months £401, 02, 03, 02. Afternoon: Three months £401, 02, 03, 04, 03.5. Kerb: Three months £404, 03, 02, 01, 400, 399, 400, 01, 02, 03, 04, 05. Turnover: 22,300 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	390-.5	—28	392.5-3.5	—17
3 months	400-.5	—21	403-.5	—12
Settlem't	390.5	—28	—	......
U.S. Spot	—	......	*44-6	......

Zinc—Morning: Three months £495, 94.5, 96, 97, 96.5, 97, 98, 99, 500, 01, 500, 499, 502, 03, 04, 05, 06. Kerb: Three months £505, 06, 05. Afternoon: Three months £504.5, 05, 06, 07, 08, 07, 07.5, 08, 09, 10, 11, 10, 09.5. Kerb: Three months £509, 07, 05, 05, 07, 09, 10, 11, 12, 13, 14, 15. Turnover: 11,250 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	489-90	—9	492-4	+.5
3 months	505-6	—8.75	509-.5	—
S'ment	490	—9	—	......
Primw'ts	—	—	*49.75-50	......

Aluminium—Morning: Three months £681, 80, 79, 78, 79, 81, 82, 81.5, 81, 80, 79, 78, 79, 79.5, 79. Kerb: Three months £678, 77, 77.5, 77, 76.5, 76, 75, 76, 77. Afternoon: Three months £680, 81, 80.5, 81, 82, 81, 80.5. Kerb: Three months £680, 81, 82, 83, 84, 85. Turnover: 13,025 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	654-5	—17.5	655.5-6.5	—14.5
3 months	678.5-9	—18	680.5-1	—14.7

Nickel — Morning: Three months £3,180, 75, 70, 75. Kerb: Three months £3,180. Afternoon: Three months £3,175, 80, 85, 90, 95, 3,200, 3,190, 85. Kerb: Three months £3,180, 85, 90.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3115-20	—47.5	3115-25	—52.5
3 months	3175-80	—55	3180-5	—15

* Cents per pound. ‡ MS per kilo. † On previous unofficial close.

SILVER

Silver was fixed 3.10p an ounce lower for spot delivery in the London bullion market yesterday at 504.8p. U.S. cent equivalents of the fixing levels were: spot $9.49, up 0.5c, three-month $9.9120, down 0.5c; six-month $10.032, down 0.5c; and 12-month $11.113, down 0.9c. The metal opened at 505¼-510¼p ($9.50-$9.60) and closed at 492-497p ($9.18-$9.38).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	504.80p	—3.10	489.0p	—27
3 months	521.10p	—4.05	505.5p	—27
6 months	538.20p	—4.10	—	......
12 months	572.20p	—4.10	—	......

LME—Turnover 67 (76) lots of 10,000 ozs. Morning: Three months 525, 24.5, 24, 22, 21.5, 21, 21.5. Kerbs: three months 522, 21.5. Afternoon: three months 514, 13, 12, 11, 10, 09, 08, 06, 05. Kerbs: three months 507, 08, 07, 05.

COCOA

After a steady opening due to a firm physical market prices drifted lower on further reflection of the disagreement within Opec, reports Premier Man.

COCOA	Yes'rday's Close	+ —	Business Done
Sept	1191-95	+6.0	1205-187
Dec.	1226-27	+6.0	1239-25
March	1241-42	+8.0	1254-40
May	1247-49	+7.5	1259-46
July	1254-56	+8.0	1262-54
Sept	1263-70	+11.5	1273-70
Dec.	1274-79	+12.6	—

Sales: 1,463 (2,684) lots of 10 tonnes.

ICCO—Daily price for Aug 21: 103.32 (104.18): Indicator price for Aug 24: 103.27 (102.48).

COFFEE

The recent easier tendency continued, reports Drexel Burnham Lambert. With no fresh news Robustas traded within the established range throughout the first session. Early afternoon dealings established the day's lows but some support was evident.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	952-53	—50.5	975-46
Nov	954-55	—24.0	972-46
Jan	966-72	—09.5	974-52
March	971-80	—10.5	978-65
May	980-90	—	990-75
July	990-95	—12.0	990-80
Sept	999-05	—13.0	1000

Sales: 4,683 (5,804) lots of 5 tonnes.

ICO indicator prices for August 21: (U.S. cents per pound): Comp. Daily 105.86 (107.04); 20-day average 112.02 (112.54).

GAS OIL FUTURES

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
August	300.75	—0.75	301.00
September	303.25	—1.50	305.50-01.75
October	305.50	—1.00	307.00-04.50
November	308.50	—1.25	310.00-08.00
December	310.75	—1.25	312.00-10.25
January	313.50	—0.75	315.50-12.50
February	316.50	—1.00	—
March	319.00	......	—
April	321.50	—1.50	—

Turnover: 504 (881) lots of 100 tonnes.

GRAINS

Wheat opened slightly lower. Merchant and farm selling eased the market. Barley opened higher and found good exporter demand for Nov as traders switched out of Sept ahead of the first day tender. Barley also found some hedge selling which eased the market back to the opening levels. Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterday close	+ or —
Sep	104.45	—0.40	98.90	+0.05
Nov	108.20	—0.45	102.20	+0.15
Jan	112.35	—0.40	106.25	+0.20
Mar	116.00	—0.45	109.95	—0.05
May	119.55	—0.45	113.40	+0.15
July	123.40	—0.30	—	—

Sales: 198 (148) lots of 100 tonnes.

Business done: Wheat: Sept 104.65-104.30, Nov 108.65-108.05, Jan 112.65-112.10, March 116.45-116.00, May 120.00-119.50, July 123.50-123.40. Sales 194 lots of 100 tonnes. Barley: Sept 99.20-98.90, Nov 102.55-102.15, Jan 106.60-106.10, March 110.00-109.90, May 113.80-113.40. Sales 250 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: Aug/Sept 111.75, Oct 112.50 transhipment East Coast, sellers. U.S. Hard Winter, 13½ per cent: Sept 117.75 transhipment East Coast, sellers. English Feed, fob: Aug 108, Sept 107.50, Oct/Dec 113.60, Jan-March 119.50 East Coast, sellers. Maize: French: Aug 125.00 transhipment East Coast, sellers. South African Yellow: Sept/Oct 91.50, seller. Barley: English Feed, fob: Spot 101, Oct/Dec 107.50, Jan/March 112.50, April/June 117.25 East Coast, sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 10.80, E. Mids 102.40. Feed barley: Eastern 93.50, E. Mids 94.60, N. East 94.60, Scotland 94.60. The UK Monetary Coefficient for the week beginning Monday August 31 (based on HGCA calculations using 4 day's exchange rates) is expected to remain unchanged.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing dull. Lewis and Peat reported a fob Sept price for No 1 RSS in Kuala Lumpur of 256.0 (259.0) cents a kg and SMR 20 207.0 (209.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Sept	59.70-60.10	61.10-62.50	60.20
Oct	60.70-61.00	61.70-62.00	
Oct-Dec	61.40-61.50	62.00-62.40	61.60-61.20
Jan-Mar	64.50-64.70	65.00-65.10	65.20-64.30
Apl-Jne	67.70-67.80	68.20-68.30	68.30-67.70
Jly-Sept	70.60-71.00	71.20-71.40	71.10-70.00
Oct-Dec	74.00-74.20	74.40-74.60	74.30-74.20
Jan-Mar	77.20-77.30	81.10-81.30	77.30-77.20
Apl-Jne	80.30-80.50	81.10-81.30	80.50

Sales: 264 (257) lots of 15 tonnes; 117 (3) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 58.50p (60.00p); Oct 58.50p (59.00p); Nov 60.00p.

SOYABEAN MEAL

The market opened slightly easier and moved lower on continued trade selling, reports T. G. Roddick. Prices had a weak tone with stop loss selling adding further pressure.

	Yesterdys Close	+ or —	Business Done
	£ per tonne	—	—
October	132.00-32.5	—0.65	134.00-32.00
December	131.10-31.3	—1.65	132.90-31.10
February	134.10-34.2	—1.65	135.40-34.20
April	135.00-36.0	—0.50	—
June	136.00-41.0	—0.25	—
August	137.00-44.0	+0.50	—
October	138.00-47.0	—	—

SUGAR

LONDON DAILY PRICE—Raw sugar £182.00 (£195.00) a tonne cif Aug-Sept-Oct shipments. White sugar daily price £187.00 (£197.00).

Small gains at the opening were short lived and prices declined under the influence of chart selling and liquidation of long positions, before profit taking at the close lifted prices, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	180.25-80.50	189.65-89.70	190.00-77.00
Jan	178.25-78.50	186.00-88.00	185.95-78.00
March	182.50-82.65	190.00-90.50	190.60-79.50
May	187.00-87.60	194.00-94.25	194.25-85.00
Aug	192.50-95.00	198.25-96.50	198.25-91.00
Oct	196.50-97.00	201.90-03.00	156.00-35.00
Jan	197.00-98.25	201.00-04.00	200.00-97.00

Sales: — (2,439) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £360.4 (same) a tonne for home trade and £294.5 (£304.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 21: Daily price 13.96 (14.41): 15-day average 15.47 (15.65).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 200 tonnes. Further useful offtake followed a steady if unspectacular demand. Interest was again displayed in North American, African and Middle Eastern growths.

JUTE

JUTE—Sept: c and f Dundee: BWC £260, BWD £207, BTB £307, BTC £260, BTD £207: Antwerp BWC $490, BWD $386, BTB $555, BTC $490, BTD $366. C and f Dundee Sept 40 in 10 oz £11.05, 40 in 7.5 oz £8.52. B Twills £32.42.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. Oct 498.0, 499.0, 498.0-497.5; Dec 507.5, 508.5, 508.5-506.5; Mar 517.5, 518.0, 518.0-516.5; May 523.0, 524.0, 524.0; July 531.0, 531.5, 531.5; Oct 527.0, 528.0, untraded; Dec 530.0, 531.0, 531.0. Sales: 85.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. Oct 395, 400, nil; Dec 401, 404, 403; Jan 403, 407, 407-406; March 414, 418, nil; May 424, 427, 425; Aug 432, 435, 435-434; Oct 437, 440, 440-439; Dec 435, 441, 441-439; Jan 439, 442, 442-441. Sales: 21.

TEA AUCTION

LONDON TEA AUCTION—37,824 packages were offered at yesterday's auction. Assams met selective enquiry and generally sold between 115-130p. Brighter East Africans were firm to dearer but mediums were irregular and sometimes 1-2p lower. Medium Central Africans were also irregular and closed 3-4p easier, plainer sorts failed to realise sellers limits. Ceylons showed some irregularity but, overall, prices showed little change. Quotations: quality 125p per kilo (120p), medium 102p per kilo (102p), plain no quotation (79p).

POTATOES

LONDON POTATO FUTURES—Early gains were short lived. Afternoon trade eased slightly, with interest thin, reports Coley and Harper. Closing prices: Nov 83.70, +0.40 (high 84.10, low 83.30): Feb 105.00, +20.20 (high 106.50, low 104.80): April 120.60, —0.80 (high 123.50, low 120.50). Turnover: 247 (371) lots of 40 tonnes.

MEAT/VEGETABLES

MEAT COMMISSION — Average Fatstock prices at representative markets on August 24: GB—Cattle 86.49p per kg lw (+0.24): UK—Sheep 115.83p per kg est dcw (—2.34): GB—Pigs 67.33p per kg lw (+1.31).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 71.7 to 75.5: Ulster hindquarters 79.0 to 88.0, forequarters 52.0 to 57.0: Eire hindquarters 83.0 to 86.0, forequarters 51.0 to 55.0. Veal: Dutch hinds and ends 112.0 to 120.0. Lamb: English small 48.5 to 54.5, medium 48.0 to 52.0, heavy 44.0 to 51.0: Imported Frozen New Zealand PL 56.0 to 57.0. Pork: English, under 100 lbs 36.0 to 51.0, 100-120 lbs 42.0 to 50.0, 120-160 lbs 36.0 to 49.0.

COVENT GARDEN — Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Valencia Lates 48 5.30, 56 6.20, 72 6.25, 88 5.55, 112 5.00, 138 4.95, 150 4.60; Argentine: 64-88 5.50-6.80. Lemons: Spania: boxes 5.00-7.00, trays 25/50 2.20-3.00; Outspan: 80-195 5.50-8.00. Grapefruit—Outspan: 27 4.20, 32 4.85, 36 5.00, 40 5.30, 48 5.00, 56 4.40, 64 4.10, 72 3.30; Argentine: all sizes 3.50-4.00. Apples: S. African: Granny Smith 8.00-8.50, York 3.00. Tasmanian: Sturmer Pippin 4.00, Granny Smith 5.00; U.S.: Red Delicious 10.50-12.00. Spanish: New crop Golden Delicious 20-lb 3.00-3.40, 40-lb 4.60-5.00. French: New crop Golden Delicious 20-lb 3.00, 40-lb 6.00. Pears: French: Per lb Williams' 0.10-0.16. Italian: Per lb 0.12-0.16; Spanish: Per lb 0.12-0.16. Nectarines—Italian: Large trays A/C 3.50-4.50. Plums: Italian: 20-lb Giant Prune 3.50, Stanley 3.00. Greengages: French: 9-kilos 2.60-2.80, Italian: 12-lb 4.00; Spanish: 11-lb 2.00-3.50. Cherries: U.S.: Per lb 0.96. Grapes—Cyprus: 11-lb Thompson 4.00, Rozaki 3.30, Alphonse Lavallee 3.60, Sultana 11-lb 3.00-3.30; Spanish: Alphonse Lavallee 11-lb 2.40; Italian: Regina 2.40, Cardinal 3.00. Melons: Spanish: 10-kilos yellow 2.80-3.00. Water-melons — Hungarian: 13-kilos 3.20-3.50; Spanish: 15-kilos 3.00-3.50; Italian: 17-kilos 5.00-5.50; Greek: 4.00-5.00. Peaches: Italian: Large trays A/C 2.40-2.50; French: A/C 1.60-2.20. Pineapples: Ivory Coast: Each 0.40-1.10. Bananas: Colombian: Per lb 0.19. Avocados: Kenyan: 5.50. S. African: Air 5.00. Onions: Spanish: Grano 3/5 2.80-3.20. Potatoes — Cyprus: 44-lb bags 1.00-4.00. Capsicums: Dutch: 5-kilos green 3.50, red 4.00. Italians, green 6-kilos 2.50-3.00. Aubergines: Dutch: 5-lb 3.80. Cabbages: Dutch: White 4.00-4.50, red 4.00. Fennel: Dutch: Per 7-lb 3.60. Artichokes—French: Globe 24's 5.50.

English Produce: Potatoes—Per 55 lb white 2.20-2.50, red 2.40-2.60, King Edwards 2.80-3.20. Mushrooms—Per pound, open 0.40, closed 0.60. Apples—Per pound, Bramley 0.15-0.20, Grenadier 0.08-0.10, Newgate 0.10-0.14, Discovery 0.12-0.20, George Cave 0.04-0.05, Miller 0.04-0.06. Cauliflowers—Per 12 Lincoln 2.50-1.80. Cabbages—Per bag Primo 20 lb 1.00-1.50. Lettuce—Per 12, round 1.00-1.60, Cos 10/12 1.00-2.40. Tomatoes—Per 12 lb D 1.40-1.80, E 1.50-1.40. Radishes—Per pack of 12 x 8 oz 1.50, bunches of 15 1.50. Onions—Per tray x 20 bunches spring 2.00, 55 lb 40-60mm 2.00-3.00. Celery—Per 16/28 winter crop 2.50-3.50. Cucumbers—Per 10/20 1.60-2.00. Carrots—Per 25/28 lb 0.60-1.20. Strawberries—Per ½-lb 0.20-0.40. Raspberries—Per ½-lb 0.50-0.60. Plums—Per 12 lb Victorias 0.20-0.30, Belles 2.00-3.00, Damson 2.40. Beetroots—Per 28 lb 1.20-1.40. Marrows—Per box 0.70-1.00. Fennel—Per 10 lb 3.60. Parsnips—Per pound 0.10-0.12. Stick Beans—Per pound 0.20-0.25. Ground Beans—Per pound 0.10-0.15.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.50-£7.00, codlings £3.60-£4.60. Large haddock £3.00-£8.40, medium £3.80-£4.50, small £2.40-£3.60. Large plaice £5.20-£7.00, medium £4.50-£6.60, best small £3.80-£5.60. Skinned dogfish (large) £10.30-£13.00 (medium) £9.30-£10.40. Lemon soles (large) £9.50 (medium) £8.00. Rockfish £1.50-£3.60. Saithe £2.60-£3.60.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 24 1981	+ or —	Month ago
Metals			
Aluminium	£810-815	......	£810/815
Free Mkt.	$1220/1260	—30	$1195/225
Copper			
Cash w'bar	£937.25	—20.25	£909
3 mths	£967.25	—21.25	£935.25
Cash Cathode	£936	—18	£905
3 mths	£961	—19	£926.75
Gold troy oz	$419.5	—11.5	$405.5
Lead Cash	£393	—17	£440.50
3 mths	£405.25	—12	£440.75
Nickel	£4087.3	......	£3,850.50
Free mkt	275/295c	......	275/295c
Platin'mtr'y oz	£260	......	£247
Freemkt	£226.90	—6.5	£216.75
Quicksilver	$425/435	......	$430/440
Silver troy oz	504.80p	—3.10	453.50p
3 mths	521.10p	—4.05	469.20p
Tin Cash	£7995	—90	£7,685
3 mths	£8155	—70	£7,652.5
Tungsten22.0lb	$145.43	......	$144.40
Wolfrm 22.04lbs	$142/146	......	$149/152
Zinc Cash	£493	—0.5	£464.5
3 mths	£509.25	......	£475.75
Producers	$925/1000	......	$925
Oils			
Coconut (Phil)	$560y	......	$602.5
Groundnut	‡	......	‡
Linseed Crude	£448	......	£452
Palm Malayan	$530z	—2.5	$590
Seeds			
Copra Philip	$555	—5	$580
Soyabean(U.S.)	$283.5z	—5.5	$302
Grains			
Barley Fut. Nov	£102.20	+0.15	£101.00
Maize	£125	......	£130
Wheat Fut. Nov	£108.20	—0.45	£108.50
No2 HardWint	£117.75x	......	£117.55
Other commodities			
Cocoa ship't*	£1250	+7	£1,175
Future Dec.	£1225.5	+6	£1,150.5
Coffee Ft' Nov.	£954.5	—24	£1,119.5
Cotton A.Index	79.35c	+0.1	86.05c
Gas Oil Sept.	$302.25	—1.5	$269.25
Rubber (kilo)	58.5p	—1.5	64p
Sugar (Raw)	£188yz	—7	£228
Woolt'ps 64s kl.	391p kilo	—2	385p kilo

‡ Unquoted. z Oct. y Aug-Sept. x Sept. † Per 76-lb flask. * Ghana cocoa. n Nominal.

AMERICAN MARKETS

NEW YORK, August 24.

ALL FINANCIAL instruments declined severely following the Federal Reserve shift towards a more accommodating posture regarding U.S. money supply. What the futures markets are telling the Federal Reserve is that the increased objectives for money supply growth are not enough to prevent a liquidity crunch. The selling in the markets was massive, mostly on technical grounds with minor late short-covering rallies on the close, reported Heinold.

Copper—Aug 77.50 (80.05). Sept 77.60-77.70 (80.30). Oct 79.15. Dec 82.00-82.10. Jan 83.30. March 85.80-86.00. May 88.20. July 90.55. Sept 92.90. Dec 96.30. Jan 97.40. March 99.60. May 101.80.

*Gold—Aug 414.3 (432.6). Sept 415.3 (434.9). Oct 421.0-421.5. Dec 432.5-433.5. Feb 444.0-445.0. April 456.0. June 468.0. Aug 479.9. Oct 492.0. Dec 504.2. Feb 516.7. April 529.6. June 542.6.

*Platinum—Aug 415.0-417.5 (435.0). Sept nil (nil). Oct 425.5. Jan 441.0. April 457.5. July 474.0. Oct 429.5. Sales: 1,432.

Potatoes (round whites)—Nov 73.3-73.6 (74.0). Feb 82.5-83.0 (83.5). March 86.6-87.4. April 101.9-102.1. Sales: 532.

¶Silver—Aug 902.0-907.0 (959.2). Sept 913.2 (963.2). Oct 928.5. Dec 956.0. Jan 971.7. March 999.2. May 102.67. July 105.42. Sept 108.17. Dec 112.27. Jan 113.64. March 116.39. May 119.13. Handy and Harman bullion spot 912.00 (960.00).

Sugar—No. 11: Sept 13.18 (13.86). Oct 13.40-13.43 (14.18). Jan 13.66. March 14.10. May 14.35. July 14.66. Sept 15.05. Oct 15.12-15.14. Sales: 11,143.

Tin—692.00-698.00 (693.00-705.00).

CHICAGO, August 2.

Lard—Chicago loose 21.00 (same).

Live Cattle—Oct 64.50-64.50 (65.10). Dec 64.23-64.45 (65.52). Feb 63.80-63.45. April 63.65-63.52. June 64.35-64.30. Aug 64.10.

Live Hogs—Oct 50.15 (51.65). Dec 52.42-52.92. Feb 52.60. April 50.40. June 50.70. July 52.85. Aug 52.00. Oct 52.50. Dec 53.60.

‡‡Maize—Sept 297¼-297½ (303¾). Dec 301¾-302¼ (306¼). March 316-315¾. May 325¾-327½. July 334½-335. Sept 335½-339.

Pork Bellies—Aug 64.00-63.90 (62.52). Feb 67.07 (69.07). March 67.27. May 67.30. July 68.95. Aug 68.65.

‡Soyabeans—Sept 665-665½ (680). Nov 674-673 (658½). Jan 692-693. March 714½-714. May 732. July 746. Aug 745-747.

¶¶Soyabean Meal—Sept 190.0-189.5 (184.3). Oct 19.2-190.0 (194.7). Dec 195.0-195.2. Jan 195.0-298.5. March 204.5-204.0. May 208.0-209.0. July 212.5. Aug 213.5-214.0. Sept 214.5-215.0.

Soyabean Oil—Sept 20.80-20.76 (21.31). Oct 21.20 (21.64). Dec 22.07-22.05. Jan 22.45-22.50. March 23.20. May 23.90. July 24.30-24.55. Aug 24.65-24.70. Sept 24.82-25.00.

‡Wheat—Sept 387 (397¼). Dec 417½-418½ (426¼). March 441½-441. May 451½-452½. July 451½-452. Sept 463.

WINNIPEG, August 24.

§Barley—Oct 122.60 (125.00). Dec 122.60 (125.50). March 126.50. May 129.00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 239.60 (241.20).

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. ‡ Cents per 60-lb bushel. ¶¶ $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. † Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, August 24.

Wheat—(U.S. $ per tonne): U.S. No. 2 Hard Winter 13.5 per cent Sept 196, Oct 201, Nov 207, Dec 213. U.S. No. 2 Red Winter Aug-Sept 165. U.S. No. 3 Amber Durum Aug 185, Sept 185, Oct 189, Nov 196, Dec 207. U.S. No. 2 Northern Spring 14 per cent Aug 181, Sept 188, Oct 193, Nov 197, Dec 204.

Maize—(U.S. $ per tonne): U.S. No. 3 Corn Yellow Aug 143.75 traded. Afloat 145, Aug 143, Sept 143, Oct 142.50, Nov 143, Dec 145, Jan-March 151.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfports Aug 281, Sept 277.50, Oct 271.50, Nov 271.70, Dec 277, Jan 283, Feb 287.50, March 292, April 297, May 298, sellers tradeless.

Soyameal—(U.S. $ per tonne): 44 per cent protein U.S. afloat 244 traded, Aug 242, Sept-Oct-Nov 240, Dec 246, Nov-March 250. Brazil Pellets afloat 247.50, Aug-Sept 247, Oct 250, Nov-March 258.

PARIS, August 24.

Cocoa—(FFr per 100 kilos): Sept 1280-1300, Dec 1350-1370, March 1370-1395, May 1390-1405, July 1397-1411, Sept 1440-1470, Dec 1455-1487. Sales at call: nil.

Sugar—(FFr per tonne): Oct 1910-20, Nov 1930-20, Dec 1865-80, March 1960-65, May 2000-35, July 2010-50, Aug 2070-150, Oct 2090-170. Sales at call: 23.

INDICES

FINANCIAL TIMES

Aug. 21	Aug. 20	Month ago	Year ago
262.78	264.02	276.35	272.67

(Base: July 1, 1952=100).

MOODY'S

Aug. 21	Aug. 20	Month ago	Year ago
1054.3	1059.5	1070.6	1237.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 21	Aug. 20	Month ago	Year ago
Spot	362.98	364.51	390.99	456.10
Fut'rs	375.86	378.95	399.04	457.97

(Average 1924-25-26=100)

REUTERS

Aug. 24	Aug. 21	M'nth ago	Year ago
1674.0	1699.8	1725.9	1727.2

(Base: September 18, 1931=100)

Gilt-edged succumb to U.S. interest rate doubts and equity leaders move lower late on Wall St influence

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug 10	Aug 26	Aug 27	Sept 7
Aug 28	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Doubts that U.S. interest rates would ease from their current high levels—bond prices there fell sharply yesterday despite the Federal Reserve Board's slight relaxation in its tight monetary policy—unsettled Gilt-edged securities. This area of London stock markets also reflected concern following reports about the effects on Government expenditures of rising spending by nationalised industries.

With credit much tighter in money markets, resistance to nervous selling was negligible and longer maturities sustained sizeable losses as one or two institutional investors reduced their commitments. More persistent offerings from smaller investors aggravated the trend and the close was the day's lowest with selected longs showing falls to ¾ and slightly more in one or two instances. Losses in the shorts, however, ranged to only ¼.

Alex. Howden better

Differing views on UK economic prospects coupled with the inability of OPEC representatives to agree a uniform pricing structure again blunted enthusiasm for equities as they began the final leg of a trading Account which ends on Thursday. The Oil sector ran into loose stock initially from disillusioned speculators, but the offerings were absorbed and the market steadied before fading badly on Wall Street's opening weakness. Shell were particularly affected and closed 18 down at 374p.

Favourable weekend comment and the odd trading statement aroused interest in a few stocks, but most leading equities eased in the continued absence of support. Wall Street's opening fall yesterday prompted a more noticeable weakness in the after-hours' trade which left the FT Industrial Ordinary share index, only 1.4 lower throughout the afternoon session, a net 3.5 down at 558.0.

Traded options attracted 1,111 deals—1,012 calls and 99 puts. **Shell Transport** recorded 150 calls and 31 puts, while **Lonrho** recorded 116 calls and 28 puts. Further speculative activity resulted in 178 calls in **RTZ**, while **Imps** attracted 113.

Lloyds Brokers claimed most of the attention in Insurances. Speculative demand fuelled by talk of a U.S. bid helped **Alexander Howden** improve 3 to 135p, after 136p. **Hogg Robinson**, on the other hand, cheapened 2 to 112p on the reported bid denial. **C. E. Heath** dipped 5 to 307p as did **Willis Faber**, to 375p.

Awaiting further bid developments following the Board's rejection of Winterthur's 320p per share cash offer, **Provident Life** hardened a few pence to 333p. **London and Manchester** put on 4 to 306p but **Sun Life** relinquished 2 to 328p. **Pearl** held at 448p awaiting tomorrow's interim results.

Quietly firm conditions prevailed in the Building sector. **Redland**, 191p, and **Ready Mixed Concrete**, 217p, added 4 apiece, while **Tarmac** hardened 3 to 409p. Demand ahead of the interim results, due September 2, lifted **Marchwiel** 6 to 140p, while **Fairclough Construction**, preliminary results today, firmed a penny to 135p. Favourable Press comment stimulated interest in **Barratt Developments**, 6 firmer at 261p, and **Higgs and Hill**, a like amount to the good at a 1981 peak of 130p. **H.A.T. Group** attracted a lively business in ex rights form and closed 2½ dearer at 71½p; the new nil-paid shares opened at 7½p premium and advanced to 11p premium. **Phoenix Timber** improved a couple of pence to 94p following the chairman's hopeful remarks about second-half trading and **Nottingham Brick** added 5 to 135p on Press mention. Against the trend, **George M. Callender** a good market last week, shed 4 to 56p on profit-taking.

ICI touched 284p before Wall Street influences left the close a couple of pence cheaper on balance at 280p. Among other Chemicals, **Blagden and Noakes** added 4 to 116p, the maintained interim dividend outweighing the sharply lower half-year profits.

Stores quiet

Stores began the third leg of the long Account in exceptionally quiet mood, and the leaders hovered around Friday's closing levels. **Marks and Spencer**, 133p, and **Gussies "A."** 468p, both shed 2. **Raybeck**, annual results due Friday, continued firm on hopes that the dividend will be maintained and ended a couple of pence to the good at 49p. **Owen Owen**, dull of late on profit-taking, rallied a couple of pence to 250p, while scattered support was also noted for **H. Samuel**, 144p, **Harris Queensway**, 134p, and **Bakers Household**, 166p, all 2 better.

The Electrical majors plotted an irregular course in thin trading. **Thorn EMI** gave up 3 to 477p and **Racal** cheapened 5 to 465p. Awaiting today's first-half results, **Philips Lamps** improved 5 to 467p.

Business in leading Engineers remained at a low ebb and closing quotations were rarely altered. Elsewhere, **A. Cohen** jumped 20 to 330p in a thin market and **Haden** revived with a rise of 3 to 238p, while **British Steam** ended similarly dearer at 100p. Up 16 last week following the surprise dawn raid at 78p made on behalf of Caparo, which now holds a 13.26 per cent stake in the group, **Ductile Steels** hardened a penny to 79p. **Concentric** shed 3 to 32p and **Pegler-Hattersley** eased 2 to 174p. **ML Holdings** held at 310p awaiting today's preliminary results.

Applied Computer up

Awaiting tomorrow's preliminary results, **Associated Dairies** slipped to 192p before closing 2 cheaper on balance at 194. Other leading Foods barely moved, but **Associated British** hardened a couple of pence following Press mention. Elsewhere, recently weak **Bernard Matthews** revived and, in a thin market, jumped 20 to 145p, but **Singlo** shed 1½ to 25½p. Demand in a thin market left **Nicholls (Vimto)** 10 up at 270p.

Grand Metropolitan remained dull in Hotels and Caterers, falling 5 more to 197p on suggestions that the $500m acquisition of Pan American's Intercontinental Hotel chain might be financed by a rights issue.

Secondary issues provided the focal points in miscellaneous industrials. Press comment attracted buyers to **Applied Computer** and the close was 7 higher at 137p, while **Gestetner A** put on 3 to 70p for a similar reason. Still excited by the news that Mr Michael Harvey Ross has taken a 5 per cent stake in the company, **Standard Fireworks** touched 152p in busy trading before closing a net 6 better at 150p.

Both reflecting take-over hopes, **Siebe Gorman** rose 7 more to 200p and **Chubb** advanced 4 to 108p, after 109p. **Sotheby's** gained 8 to 433p on investment support and **Business Computers** appreciated 8 to 125p. **Chamberlain Phipps** put on 2 to 45p and **Rotaprint** 3 to 15p. Awaiting further news of the big approach from Pruessag of Hanover, **Amalgamated Metal** declined 13 to 370p on profit-taking following last week's jump of 83. **Broken Hill Proprietary** fell 25 to 790p and **CSR** lost 16 at 316p. The leaders were quiet and closed mixed. Up 27 last week on the good second-quarter results, **Unilever** lost 7 to 630p.

Motor Components displayed a marginally firmer appearance. **Dowty** added a few pence to 262p, while **Lucas**, 221, recovered Friday's fall of 3 which stemmed from reports of further redundancies to the company's electrical division. **Automotive Products** continued to draw strength from a broker's recommendation and gained the turn to 68p. Distributors were quietly mixed. **Adams and Gibbon** stood out with a rise of 10 to 84p, albeit in a narrow market, but **Lex Service** came on offer at 108, down 4, while **Alexanders** eased a fraction to 9½p following sharply lower first-half earnings.

Greetings card concern **W. N. Sharpe** spurted 55 to 410p following the better-than-expected first-half earnings and increased interim dividend. Support was also forthcoming for **BPC**, which added 2½ to 22p on continuing recovery hopes.

Properties passed an uneventful session and closed narrowly mixed. **Land Securities** eased a couple of pence to 335p, but **Hammerson A** hardened 5 to 660p and **Peachey and Slough Estates** put on a penny apiece to 152p and 141p respectively; the last-named announces interim results tomorrow.

Further weakness in oils

Dull late on Friday on the failure of the Opec meeting to reach agreement on a unified oil price structure, Oils came under further pressure and losses again stretched into double figures. **Shell** were particularly vulnerable and shed 18 more to 374p, while **British Petroleum** gave up another 8 to 312p. **Ultramar** reacted 18 to 487p and **Tricentrol** 12 to 276p, while **Lasmo**, interim figures today, fell 15 to 585p. Lack of support left **NCC Energy** 10 lower at 105p and **IC Gas** 14 off at 183p. **Burmah**, down to 116p at one stage, rallied to close unchanged on balance at 120p.

Among Overseas Traders, adverse Press comment clipped 4 from **Paterson Zochonis**, 125p. **Sime Darby**, 88p, lost 4 of Friday's gain of 6, while **Inchcape**, up 14 on Friday following news that the company's Toyota franchise in the Far East is safe for the present, encountered profit-taking and eased 3 to 363p.

Canadian and Foreign jumped 15 to 198p on news that the company is considering unitisation. Other Investment Trusts showed modest falls, where changed.

Movements in Shippings were usually against holders. **P & O Deferred** were actively traded and closed 6 lower at 114p; the interim results are expected early next month. Renewed worries over the company's Nigerian trading prospects clipped 3 from **Ocean Transport**, 114p.

Golds retreat

Mining markets retreated across a broad front in the face of widespread losses in precious and base-metal prices.

Golds were steady at the outset but encountered persistent local and overseas selling as the bullion price gave ground to close $11 down at $420 an ounce. The Gold Mines index lost 3.2 to 367.3—its third successive decline.

In the heavyweights, **Hartebeest** weakened notably, falling a point to £29½. **St Helena** closed ¼ cheaper on balance at £18¾, after £19¼, and **Driefontein** ended unaltered at £15¾, after £16. In the medium and lower-priced issues, falls of around 20 were common to **Blyvoor**, 707p, and **Unisel**, 466p.

Financials followed a similar pattern with **Anglo American Corporation** 20 off at 715p, **UC Investments** a like amount easier at 620p and **Minorco** 15 down at 595p.

London Financials showed losses of between 6 and 8 common to **Charter**, 258p, **Gold Fields**, 517p, **Tanks**, 300p, and **RTZ**, 535p, reflecting weak metal prices and the general downturn in UK equities.

The recent decline in base metals coupled with nervousness about the sharp falls in oil and gas issues over the past week continued to unsettle Australians.

Strata Oil met sizeable selling following adverse weekend Press comment and dropped a further 10 to 62p; the shares have fallen from around 100p in less than a week following the sale of Hughes and Hughes' 65 per cent interest in the Woodada gasfield in which Strata has a near-27 per cent interest.

In the leading base metal stocks, **Bougainville** lost a further 5 to 93p, **Peko-Wallsend** dipped 20 to 440p, **Western Mining** 10 to 295p and **CRA** 6 to 240p.

Elsewhere, **Northgate** rallied 20 to 450p on further consideration of the deal with Patino; the latter hardened ½ to £31.

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (34)

COM'WEALTH & AFRICAN LOANS (1)
Aust 5½pc '81-82

BANKS (1)
Schroders

BUILDINGS (5)
Barratt Dvlpts. — Higgs & Hill
Fairclough Constr. — Lilley (F. J. C.)
French Kier

CHEMICALS (1)
Blagden & Noakes

STORES (1)
Baker's Stores

ELECTRICALS (1)
Pifco

ENGINEERING (3)
Cohen (A.) — Ratcliffs (G. B.)
Haden

FOODS (1)
Nichols (Vimto)

HOTELS (1)
Kennedy Brookes

INDUSTRIALS (8)
Chamberlain Phipps — Siebe Gorman
Chubb — Standard Fireworks
Harris (Ph.) — Star Computer
Press (Wm.) — Zygal Dynamics

INSURANCE (2)
Howden (A.) — Phoenix

LEISURE (1)
Saga Holidays

MOTORS (1)
Adams & Gibbon

NEWSPAPERS (2)
Routledge K Paul — Sharpe (W. N.)

TEXTILES (1)
Allied Textile

TRUSTS (3)
Canadian & Foreign — S.E. £4¼pc Ann.
G.T. Japan

OILS (1)
Gulfstream Res.

NEW LOWS (20)

BRITISH FUNDS (4)
Exchqr. 13¾pc '92 — Exchqr. 12½pc 1999
Treas. 15½pc '98 — Treas. 11¾pc '01-04

AMERICANS (2)
Sperry Corp. — TRW Inc.

ENGINEERING (1)
Walker (C. & W.)

HOTELS (1)
Prince of Wales

MOTORS (1)
Nelson (David)

SHIPPING (1)
Gotaas-Larsen

TRUSTS (4)
M. & G. 2nd Dual Inc. — Mexico Fund
Hampton Trust — Yule Catto

OILS (4)
Dorset Res. — Strata Oil
Energy Sources — Sun (UK) Royalty

MINES (2)
Jimberlana — Leichardt Explrtn.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	2	72	18
Corpns. Dom and Foreign Bonds	10	7	52
Industrials	178	212	988
Financial and Prop.	41	104	356
Oils	9	61	31
Plantations	2	2	19
Mines	13	62	93
Others	24	71	97
Totals	279	591	1,654

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Mon., Aug. 24, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Aug. 21 Index No.	Thur. Aug. 20 Index No.	Wed. Aug. 19 Index No.	Tues., Aug. 18 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	371.50	+0.1	9.49	4.17	13.16	371.30	371.75	372.30	374.76	232.49
2	Building Materials (25)	326.15	+0.6	11.40	5.21	10.79	324.06	324.50	323.98	325.82	251.97
3	Contracting, Construction (28)	594.29	+0.8	16.07	4.80	7.23	589.40	584.13	584.69	587.51	424.31
4	Electricals (30)	1229.87	−0.2	7.34	2.25	16.98	1231.77	1233.84	1237.47	1249.73	861.94
5	Engineering Contractors (10)	500.84	+0.1	12.16	5.44	9.78	500.38	499.49	500.05	505.69	339.00
6	Mechanical Engineering (69)	212.44	+0.2	11.36	5.37	11.35	212.10	212.93	213.32	214.00	135.36
8	Metals and Metal Forming (13)	167.35	−0.1	9.50	7.10	13.80	167.59	168.92	168.17	170.11	166.03
9	Motors (21)	104.34	−0.6	1.63	6.63	—	105.00	104.71	105.34	104.64	101.40
10	Other Industrial Materials (18)	396.36	−0.3	9.08	5.07	13.21	397.57	397.92	395.47	402.66	0.00
21	CONSUMER GROUP (195)	288.98	−0.4	11.90	5.55	10.38	290.03	289.95	292.32	295.13	244.72
22	Brewers and Distillers (20)	302.59	−0.9	14.77	6.37	8.14	305.36	305.72	312.42	315.25	297.49
25	Food Manufacturing (21)	270.73	−0.1	14.36	6.16	8.39	270.90	271.41	273.45	276.29	220.87
26	Food Retailing (14)	556.76	−0.6	8.85	3.21	13.47	559.90	560.34	561.37	568.50	367.03
27	Health and Household Products (7)	358.12	−0.4	7.73	4.11	15.42	359.60	357.63	359.56	363.50	240.10
29	Leisure (22)	461.91	−0.2	8.93	4.63	13.91	463.00	462.63	469.15	472.34	345.53
32	Newspapers, Publishing (12)	508.82	+2.2	12.06	5.80	11.86	497.56	496.58	498.40	497.60	439.15
33	Packaging and Paper (13)	154.30	—	13.61	6.86	8.73	154.24	154.73	154.43	155.55	131.16
34	Stores (44)	268.00	−0.4	10.80	4.98	12.35	269.03	269.33	271.03	273.62	242.01
35	Textiles (23)	162.81	−0.5	7.28	5.61	19.67	162.69	162.22	164.45	166.66	123.33
36	Tobaccos (3)	267.19	−0.2	19.01	9.34	6.16	267.77	266.29	264.31	265.97	230.70
39	Other Consumer (16)	289.57	+0.5	4.21	5.82	60.79	288.21	287.97	290.22	288.53	0.00
41	OTHER GROUPS (79)	234.87	−0.4	9.81	6.10	13.34	235.73	236.17	236.21	238.03	229.26
42	Chemicals (15)	295.94	−0.6	4.59	6.14	41.90	297.72	297.28	293.63	302.57	316.43
44	Office Equipment (5)	113.14	+0.7	15.12	7.56	7.98	112.31	114.05	113.39	116.15	107.69
45	Shipping and Transport (13)	533.16	−1.7	15.49	7.15	7.66	542.54	541.95	540.31	540.26	617.93
46	Miscellaneous (46)	311.41	+0.1	12.49	5.39	9.85	311.07	312.17	311.18	311.57	293.80
49	INDUSTRIAL GROUP (488)	309.33	−0.2	10.71	5.08	11.65	310.61	310.12	311.61	314.17	259.24
51	Oils (12)	722.71	−3.4	23.32	7.97	4.76	748.36	772.05	765.53	776.50	803.80
59	500 SHARE INDEX	342.91	−0.8	12.81	5.56	9.39	345.51	347.54	348.36	351.58	302.59
61	FINANCIAL GROUP (118)	276.34	−0.2	—	5.40	—	276.77	276.66	275.51	276.72	239.37
62	Banks (6)	279.66	−0.4	31.86	6.71	3.70	280.67	281.49	280.23	281.74	259.72
63	Discount Houses (10)	274.75	−0.2	—	8.21	—	275.41	275.70	275.18	272.29	224.23
64	Hire Purchase (3)	257.85	−0.3	11.67	7.05	11.66	258.72	258.72	259.33	259.33	224.63
65	Insurance (Life) (10)	290.77	−0.1	—	5.21	—	290.93	291.55	289.34	289.67	249.69
66	Insurance (Composite) (9)	185.29	−0.3	—	7.06	—	185.76	185.14	184.82	185.23	165.19
67	Insurance Brokers (8)	431.03	−0.3	10.33	5.38	13.14	432.25	425.64	425.42	426.87	342.22
68	Merchant Banks (13)	173.33	+0.5	—	4.91	—	172.44	171.98	172.07	173.50	143.23
69	Property (49)	493.26	—	3.88	2.85	34.86	493.50	494.10	491.06	493.94	446.95
70	Miscellaneous (10)	185.08	−0.1	17.30	5.72	7.03	185.22	185.18	185.30	185.39	146.56
71	Investment Trusts (109)	327.41	−0.4	—	4.87	—	328.58	328.34	326.91	329.42	259.59
81	Mining Finance (3)	278.13	−1.4	12.66	4.91	9.30	281.99	282.72	284.10	284.60	252.03
91	Overseas Traders (20)	433.51	−0.5	10.77	6.65	11.85	435.51	432.96	436.25	434.18	436.11
99	ALL-SHARE INDEX (750)	330.28	−0.6	—	5.50	—	332.38	333.62	334.02	336.60	290.27

FIXED INTEREST

	PRICE INDICES	Mon. Aug. 24	Day's change %	Fri., Aug. 21	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.46	−0.06	106.53	—	7.82
2	5-15 years	103.38	−0.82	104.23	—	8.60
3	Over 15 years	104.22	−0.84	105.52	0.41	10.22
4	Irredeemables	114.82	−0.95	115.92	—	7.43
5	All Stocks	104.36	−0.58	105.11	0.13	8.79
6	Debentures & Loans	81.94	−0.15	82.07	—	7.03
7	Preference	62.21	+0.11	62.15	—	5.10

	AVERAGE GROSS REDEMPTION YIELDS		Mon. Aug. 24	Fri., Aug. 21	Year ago (approx.)
	British Government				
1	Low	5 years	12.46	12.40	11.99
2	Coupons	15 years	13.23	13.03	11.99
3		25 years	13.47	13.31	11.95
4	Medium	5 years	14.71	14.50	12.52
5	Coupons	15 years	15.20	15.03	13.44
6		25 years	14.74	14.60	13.37
7	High	5 years	14.67	14.55	13.57
8	Coupons	15 years	15.38	15.23	13.81
9		25 years	14.96	14.85	13.64
10	Irredeemables †		13.06	12.93	11.52
11	Debs & Loans	5 years	15.61	15.49	14.40
12		15 years	15.94	15.82	14.16
13		25 years	15.35	15.86	14.06
14	Preference †		15.34	15.86	14.47

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25½p.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Applied Computer	137	+ 7	Shell Transport	374	−18
BP	312	− 8	Standard Fireworks	150	+ 6
HAT Group	71½xr	+ 2½	Strata Oil	62	−10
Howden (A.)	135	+ 3	Tricentrol	276	−12
P & O Dfd	114	− 6	Ultramar	487	−18
Sharpe (W N.)	410	+55	United Scientific	518	− 3

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Friday's closing price pence	Day's change	Stock	No. of price changes	Friday's closing price pence	Day's change
Grand Met	15	202	− 2	RTZ	9	591	− 2
Utd Scien. New	13	145pm	− 5	Thorn EMI	9	480	—
GEC	11	785	—	Brit Aerospace	8	228	− 6
Racal Elec.	11	470	—	Laird Grp	8	133½	+ 1½
ICI	10	282	—	Sainsbury	8	456	+ 3
Royal Ins	10	410	+ 3	Shell Trans	8	392	−14
De Beers Dfd	9	355	− 4	Unigate	8	98	− 1

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 7	Sept 18	Dec 3	Dec 14
Sept 21	Oct 2	Dec 17	Dec 28
Oct 5	Oct 16	Dec 31	Jan 11

For rate indications see end of Share Information Service

Stocks to attract money for the call included **Dunlop, Clyde Petroleum, Double Eagle, NCC, Burmah, Charterhouse, Premier Oil, Charterhall, Hampton Areas, Intervision, E. J. Riley, Alexander Howden, F. H. Lloyd** and **Culter Guard Bridge**. No puts were reported, but a double was arranged in **Brent Walker**.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times covered	Gross yield	P.E. ratio
153	F.P.	21/8	172	152	‡Aerospace Eng.	158	......	bd7.5	1.4	6.8	14.6
64	F.P.	3/9	65	60½	East of Scot. Onshore	61	......	g0.85	—	2.0	—
‡52	F.P.	24/9	90	75	‡Fleet St. Letter 5p.	90	+5	u2.5	1.9	4.0	15.9
—	F.P.	14/8	7	6	‡Hartons 5p	7	......	—	—	—	—
‡10	F.P.	—	22	17	‡ICC Oil services	19	......	—	—	—	29.0
25	F.P.	18/9	28	27	JapanAssetsTrust 10p	27½	......	—	—	—	—
‡130	F.P.	1/10	134	132	‡Markheath 34.5% Pfd	134	−1	—	—	14.6	—
—	F.P.	20/8	135	120	‡Newcourt Oil	120	......	—	—	—	—
100	F.P.	—	105	98	‡Ramus	100	......	gd5.0	2.1	7.1	7.7
—	F.P.	18/9	14	10	Stewart Ent. Warrs	13	......	—	—	—	—
50	F.P.	28/8	120	114	Stockholders F.E. Inv £1	115	......	—	—	—	—
55	F.P.	7/9	86	75	‡Thorpac	90	......	b1.82	3.7	2.9	11.8
100	F.P.	15/7	104	95	Utd.Comp.&Tech. 50p	99	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
—	F.P.	4/7	110	102	Aitken Hume 10% Cnv. Uns. Ln. 1990/91	107	......
100	£40	23/10	38½	32½	Birmingham Drop-Lock '86/93	38½	......
100	F.P.	7/8	112½	97½	Chloride 7½% Conv. Prf.	100	......
*	£10	24/9	10½	9⅞	East Surrey Water 10% Prf. 1986	10¼	−⅛
100	Nil	28/8	9pm	6pm	Hanson Trust 9½% Cv. Uns. Ln. 2000-6	6pm	......
98½	£25	12/11	25½	24½	Inco 15¾% Uns Ln. 2008	25¼	......
100	F.P.	12/8	124½	110½	Jones (Edward) 15% Cnv. Uns. Ln. '96-98	118	......
*97	£10	3/9	110	95	Mid-Kent Water 9% Red. Prf. 1987	96½	......
	F.P.	17/7	104½	93	Mount Charlotte 9¼% Cnv. Ln. 1995-2000	96	......
100	F.P.	—	100⅛	99¾	Nat'wide Bdg Society 14¾% Bds. 1/8/82	100⅛	......
*100	F.P.	—	100⅛	100⅛	Do. 14⅜% Bds (25/8/82)	100⅛	......
100	F.P.	23/7	179	101	Prop. Hldg. & Inv. Tst. 8½% Cnv. Ln.	104	+1
**	F.P.	31/9	95p	82½p	Sterling Credit 5.5% Cnv. Red. Pref	82½p	−2
100p	F.P.	11/8	100½p	77½p	'W' Ribbons 10% Cum. Red. Prf. '95-96	77½p	......
*100	£10	24/9	11	10	York Waterworks 10% Red. Pref. '85	10½	......

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date		1981 High	1981 Low	Stock	Closing price p	+ or −
22	F.P.	31/7	11/9	24	22½	A.I.D.	23	......
45	F.P.	25/7	28/8	54	49	Brengreen	54	......
40	Nil	20/8	17/9	9pm	8pm	Buckley's Brewery	9pm	......
18	F.P.	14/8	4/9	21½	19	Edinburgh Gen. Ins	20	......
176	F.P.	7/8	11/9	245	200½	Extel	245	......
240	F.P.	—	—	405	210	††Gaelic Oil	210	......
11	Nil	28/8	30/9	3pm	3pm	Gartons	¾pm	......
62	Nil	—	—	11pm	7pm	H.A.T. Group	11pm	......
5	F.P.	14/8	21/8	7½	6	Hartons	7½	......
HK$12	HK$3	28/8	9/10	109	66	Hong Kong & Shanghai Bk.	99	−2
131	Nil	28/8	25/9	40pm	25pm	Ladbroke	38½pm	−1½
110	Nil	7/9	19/10	23½pm	16pm	Laird Grp.	23½pm	+1
35	F.P.	21/8	3/10	45	41	Lane (Percy)	45	......
77	F.P.	20/8	25/9	92	81	Moss Engineering	88	......
150	F.P.	9/7	12/8	200	185	New Court Nat.Res. Units	198	−2
A$1	Nil	—	—	148pm	125pm	Pancontinental	125pm	−9
560p	Nil	9/9	9/10	190pm	140pm	Utd. Scientific	145pm	−1

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after

FINANCIAL TIMES STOCK INDICES

	Aug. 24	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	A year ago
Government Secs	64.48	65.00	65.01	64.82	65.18	[illegible]	[illegible]
Fixed Interest	66.46	66.59	66.50	66.49	66.49	66.8[illegible]	70.18
Industrial Ord	558.0	561.5	560.7	563.3	567.1	572.[illegible]	465.8
Gold Mines	367.3	370.5	372.0	398.0	386.4	368.[illegible]	[illegible]
Ord. Div. Yield	5.37	5.34	5.34	5.31	5.29	[illegible]	7.32
Earnings, Yld. % (full)	9.38	9.34	9.33	9.28	9.24	9.18	[illegible]
P/E Ratio (net) (*)	14.06	14.12	14.13	14.20	14.11	[illegible]	7.00
Total bargains	13,170	16,470	16,443	18,687	18,003	17,34[illegible]	[illegible]
Equity turnover £m.	—	98.20	116.10	133.82	157.52	123.7[illegible]	94.26
Equity bargains	—	11,639	11,942	13,364	14,207	14,003	12,388

10 am 560.8. 11 am 561.9. Noon 561.4. 1 pm 560.1.
2 pm 560.1. 3 pm 560.1.

Latest index 01-246 8026.

Nil=12.64

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (6/1)	262.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 21	Aug. 20
—Daily		
Gilt Edged Bargains	177.7	141.6
Equities Bargains	75.4	77.4
Value	198.5	234.7
5-day Avrge.		
Gilt-Edged Bargains	180.6	156.4
Equities Bargains	84.4	88.2
Value	246.4	1256.7

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* £9.41 9.83 ..... 3.60
Clive Gilt Fd. (C.I.) £7.93 8.29xd 15.92
*Prices on Aug. 19. Next dealing Aug. 27.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 252.0 274.0 ..... —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. US$102.11 — −0.37 —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) £88.2 88.3xd 15.29
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM34.28 36.00 −0.25 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. Aug. 18 $4.39 4.61 ..... —
London Agents: Kleinwort Benson. Tel: 01-623 8000

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM18.18 18.55 −0.18 —
Int. Rentenfonds DM62.18 63.73 ..... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV Aug 18 US$34.46 36.66 ..... —

Duncan Lawrie Inv. Mgt. (Jersey)
15-17, New St., St. Helier, Jersey 0534 73637
DL Sterling £41.0 43.0 ..... 6.20
DL International $1.31 1.38 ..... 5.70

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 157.5 169.3xd ..... —

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* £67.6 72.0 ..... 6.94
E. A. Sterling* £70.00 70.05 ..... —
E. A. Equity* £71.12 75.66xd 1.65
Wardgate Cm. Fd.** £18.91 19.68 ..... 2.54
*Next dealing Aug. 26. **Next dealing Aug. 28.

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curacao.
London Agents: Intel 15 Christopher St., EC2. Tel: 01-377 1040. Telex 8814408.
Euro Hldgs US$20.49 21.14 ..... 9.50

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall EC2M 5TA. Tel. 01-920 0776 Telex 887281.
Europe-Obligations US$42.31 +0.11 1.94

F & C Mgmt. Ltd. Inv. Advisers
1, Laurence Pountney Hill, EC4. 01-623 4680
F&C Atlantic Fd. SA US$11.61 −0.33 1.30
F. & C. Oriental Fd. US$24.12 −0.38 0.40
Prices Aug 19. Weekly dealings.

Fidelity International Ltd.
P.O. Box 670, Hamilton, Bermuda.
8, Queensway Hse., Queen St., St. Helier, Jersey, C.I. 0534 71696
American Assets US$40.39 −0.29 1.24
Am. Vals. Cum.Pf. $3* $102.00 ..... 3.00
American Vals. Com.* $20.13 ..... —
Dollar Savings Trust US$83.14 +0.16 17.50
Far East US$56.16 +0.17 —
International US$43.52 −1.44 0.53
Pacific US$117.46 ..... 0.22
World US$24.97 −0.29 —
Gilt Fund 21.6 21.8xd 14.33
*Prices at July 31.

First Viking Commodity Trusts
10-12 St. George's St., Douglas, IoM. 0624 25015
Fst. Vik. Cm. Tst. 26.6 27.9xd ..... —

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming Aug. 18 US$75.98 ..... 4.70

Frankfurt Trust Investment—GmbH
Wiesenau 1, D-6000 Frankfurt
FT-Interzins DM37.58 41.07 −0.04 —
Frankft. Effekt. Fd. DM58.57 61.65 −0.33 —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV July 31 US$149.06 ..... —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2. Tel: 01-628 8131. TLX: 886100.
London Agents for:
Anchor 'B' Units US$1.82 1.88 ..... 1.30
Anchor Gilt Edge £8.47 8.53 +0.02 14.89
Anchor Int. Fd. US$8.88 9.12 ..... 1.31
Anchor In. Jsy. Tst. 51.9 55.3 ..... 1.36
Berry Pac Fd. US$71.65 ..... 0.70
Berry Pac Strlg. £4.73 4.94 ..... 0.84
G.T. Asia Fd. HK$24.94 ..... 1.00
G.T. Asia Sterling £34.14 35.53 ..... 1.17
G.T. Australia Fd. A$35.78 ..... 0.87
G.T. Bond Fund US$10.86 ..... 10.58
G.T. Dollar Fd. US$13.00 ..... 1.15
G.T. Dlr. (Strlg.) Fd. £16.25 16.93 ..... 0.92
G.T. Invest. Fd. US$18.50 ..... 0.55
G.T. Japan Small Cos. US$16.37 ..... —
Mariazine (STG) Fd. £8.39 8.75 ..... 7.13
G.T. Technology Fd. US$27.64 ..... —
G.T. Pacific Fd. US$18.03 ..... 0.79
G.T. Asean Growth Fd. US$10.75 11.51 ..... 0.46

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) 79.0 83.0xd 14.30
Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong
Australian Tst. [illegible] 9.807 ..... —
HK & Pac. U. Tst. HK$9.456 10.063 ..... 2.60
Japan Fd. [illegible] 29.224 ..... 0.60
N. American Tst [illegible] 25.582 ..... 1.00
Intl. Bond Fund [illegible] 9.882 ..... 9.60

Gartmore Fund Managers (IOM) (a)
P.O. Box 32 Douglas, Isle of Man Tel. 0624 23911
Gartmore Intl. Inc. 23.1 24.6 ..... 13.70
Gartmore Intl. Grth. 163.2 173.7 ..... 0.50

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.
Sterling Managed Fd. £113.50 ..... —
Dollar Mngd. Fnd. US$100.75 ..... —

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Granville Inv. Tst. £7.64 8.06 ..... 4.65
Next dealing day Sept. 15.

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund $19.80 20.46 ..... 11.20
Prices at July 30. Next dealing August 27.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong
Far East Aug. 19 HK$29.09 31.22 ..... —
Japan Fund Aug. 7 US$11.15 11.96 ..... —

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521
†Capital Reserve Fd. £13.46 13.47xd 0.25
C.I. Fund 223.3 237.8 ..... 3.26
Special Sits. Fund 81.0 86.3 ..... 3.04
Trans. Nat. Trust $1.003 1.056 ..... 2.84
Intnl. Bond US$99.80 104.21 ..... 10.02
Int. Equity US$17.08 17.98 ..... 0.99
Int. Svgs. 'A' $US 1.28 1.30 ..... —
Int. Svgs. 'B' 1.76 1.85 ..... —
Prices on Aug. 19. Next dealing Aug. 26.
†Excludes initial charge on small orders.

Henderson Admin. (Guernsey) Ltd.
7 New St., St. Peter Port, Guernsey 0481 26541/2
American (US cents) 131.9 138.8 ..... —

Henderson Baring Group
801, Gloucester, 11, Pedder, Hong Kong
Japan Tech. Aug. 17 US$20.55 21.48 ..... —
Japan Fd. Aug. 19 US$33.50 34.93 ..... —
Malay Sngp.* Aug 18 US$18.59 19.83 ..... —
Pacific Fd.* Aug. 19 17.701 18.153 ..... —
Bond Fd.* Aug. 20 US$9.759 9.905 ..... 10.00
PO Box 73, 7 New St., Peter Port, Guernsey, C.I.
Gilt Fd.† £9.00 9.09 ..... 13.00
*Inclusive of Preliminary charge. †Weekly dealings.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. 212.0 226.8 −1.3 2.92

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029
HS Channel Is. Fd. 152.6 162.7 −4.2 3.25
H.S. Fxd. Int. Fd. 85.0 90.0xd 14.00
H.S. Intnl. Gth. Fnd. 117.7 125.7 −2.1 —
Box 2622, Berne, Switzerland. Telex 33425.
H.S. Overseas Fd. US$23.98 24.94 −0.20 —
CSF Fd. (Acc.) SF18.81 19.20 −0.13 —
Crossbow Fd. SF7.64 7.77 +0.02 —
ITF Fd. (Acc.) US$13.80 14.00 −0.19 —

J.C. Trust Management Ltd.

N.V. Interbeheer

International Bond Trust

International Pacific Inv. Mgmt. Ltd.

Jardine Fleming & Co. Ltd.

Kleinwort Benson Group

Kredietbank N.V. (Belgium)

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International Geneva

M & G Group

Midland Bank Trust Corp. (Jersey) Ltd.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

N.E.L. International Ltd.

Pacific Basin Fund

Phoenix International

Providence Capitol International Ltd.

Quest Fund Mngmnt. (Jersey) Ltd.

Quilter/Hoisold Commodity Fund

RBC Investment Managers Ltd.

Ramince Management (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† US$2.64 2.80 +0.02 [illegible]
OCSm. Co.*** 129.5 137.7 ..... [illegible]
O.C. Commodity** 103.4 110.0 ..... [illegible]
O.C. Dir. Comdty.† US$41.92 44.44 −0.49 [illegible]
O.C. Hong Kg. Fd.†† HK$44.86 46.85 ..... —
O.C. Sterling Fd.** £14.057 +0.06 —

Save & Prosper International

Schroder Life Group

Schroder Mgt. Services (Jersey) Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scrimgeour Kemp-Gee Mngt., Jersey

Security Assurance International Ltd.

Singer & Friedlander Ldn. Agents.

Strategic Metal Trust Mngrs. Ltd.

Stronghold Management Limited

Surinvest (Jersey) Ltd. (x)

Surinvest Trust Managers Ltd. (x)

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

Utd. Intl. Mngmnt. (C.I.) Ltd.

Union-Investment-Gesellschaft mbH

Utd. States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

World Wide Growth Management

Wren Commodity Management Ltd.

NOTES

(هكذا من الأصل)

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allied Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.(a)(c)

Barclays Unicorn Ltd.(a)(c)(g)

Baring Brothers & Co., Ltd. (a)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.(a)(c)(g)

The British Life Office Ltd (a)

Brown Shipley & Co. Ltd. (a)(g)

Buckmaster Management Co. Ltd.

Canada Life Unit Trust Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Cory, Sabag Unit Trust Managers(a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a) (g)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mgrs. (a) (b) (c).

Funds in Court*

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hexagon Services Ltd.

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd. (a) (g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst.) Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

McAnally Fund Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (a) (g) (c)

Rowan Unit Trust Mngt. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

For Saturn Fund Magt. see SIMCO

Save & Prosper Group

Scottish Securities Ltd.

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Widows' Fund Management

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Insurance Group.

Swiss Life Pen. Tst. (Man. Co. Ltd.)(a)(x)

Target Tst. Mngrs. Ltd. (a) (g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.(a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

Nat. Westminster Ins. Mngt. Ltd.

NEL Pensions Ltd.

New Zealand Ins. Co. (UK) Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Solar Life Assurance Limited

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (U.K.) Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Adig Investment

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

S.J.A. Bond Investments AG

Bank of America International S.A.

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Magt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Capital International Fund S.A.

Central Assets Management Ltd.

Charterhouse Japhet

Clarifon Commodities (Isle of Man) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97⅛	92¼	Aust. 5½pc '81-82	97⅛	+¼	5.79	14.13
87½	83½	Do. 6pc 1981-83	86¼		7.06	13.87
67¼	59	N.Z. 7¼pc 1988-92 ..	60¼	.....	12.23	14.92
81¼	74	Do. 7½pc '83-86	75¼	..	10.14	15.31
141	115	S. Rhod. 2½pc Non-Ass.	138	.....	—	—
60	43	Do. 3½pc 80-85 Assd.	60		5.83	18.40
43	26	Do. 4½pc 87-92 Assd.	41	...	10.98	16.60
395	333	Zimbabwe Ann (£100pa)	390	...	—	21.47

LOANS

Public Board and Ind.

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
64	59	Agric. Mt. 5pc '59-89	62	..	8.15	12.97
29½	24½	Met. Wtr. 3pc 'B'	25½xd	..	11.71	14.01
114	95½	U.S.M.C. 9pc 1982 ..	104	−½	8.66	—
97¼	91	Do. without Warrnts.	94½	..	9.75	17.00

Financial

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101½	95½	FFI 14pc '83	98	−½	14.29	15.01
95½	88½	FFI Fixed Rate 20-2	93½		6.04	14.35
85½	77	Do. 6½pc Db. '81-84	81	−½	7.28	14.46
93	84½	Do 10½pc Uns Ln. '86	87		12.30	15.15
92	80	Do. 11pc Uns.Ln. '88	84½		13.32	14.69
92	80	Do 11½pc Uns.Ln. '90	84½	...	14.21	15.50
94½	83½	Do. 12½pc Uns.Ln. 1992	89	.....	14.97	15.78
64½	55½	Do 7¼pc 'A'Deb '89-92	59	..	12.73	15.04
62	54½	Do. 7½pc 'A'Deb. '91-94	58	.	13.45	13.27
72½	65	Do. 9pc 'A' '91-94 ..	66½	.	14.33	15.50
70	59	Do. 8½pc Ln. '92-97	60½	.....	14.84	15.70

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPERS, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS-Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
45	32	Acmex 50c	42	−1	Q2.5c	—	3.7
41	14	ACM 20c	32	−3	—	—	—
21	11½	Argosy Gold NL 25c	12	...	—	—	—
229	157	Bond Corp.	198	−8	Q10c	ϕ	3.1
112	76	Bougainville I Kina	93	−5	‡Q25.4c	1.0	‡
302	214	CRA 50c	230	−6	Q19c	1.7	4.8
25	15	Canada Northwest	16	...	—	—	—
35	15	Carr Boyd 20c	19	...	—	—	—
415	62	Central Pacific	65	−1	—	—	—

Tins

Copper

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
55	24	Barymin	27	+5			
25½	12	Burma Mines 10p	18½	......	0.75	0.9	5.8
330	180	Colby Res. Corp.	255	......	—	—	—
310	200	Cons. Murch. 10c.	300	......	tQ30c	1.8	5.7
9	6	††Exploura Gold	9	+½	—	—	—
99	55	††Hemerdon 10c	63	......	—	—	—
120	110	Highwood Res.	115	......	—	—	—
505	300	Northgate C$1	450	+20	—	—	—
653	572	R.T.Z.	585	−6	16.0	3.2	3.9
£150½	£93½	Do. Conv. 8%	£125	−1	Q9½%	—	f7.6
103	27	††SFO Minerals 10p	27	......	—	—	—
47	22	Sabina Inds. C$1	24	......	—	—	—
44	23	††SWCM 10p	34	......	—	—	—
580	465	Tara Expln. $1	570	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ÷ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- & Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value.

ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ☆☆ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	36		Conv. 9% '80/82	£92⅝	...
Bertrams	19		Nat. 9¾% 84/89	£69⅜	...
Bdg'wtr Est. 50p	465		Fin. 13% 97/02	£89	...
Craig & Rose £1	£15		Alliance Gas	67	...
Finlay Pkg. 5p	22		Arnott	220	...
Graig Ship. £1	£23		Carroll (P.J.)	81	−1
Higsons Brew.	62		Concrete Prods.	91	...
Holt (Jos) 25p	485		Heiton (Hldgs.)	29xd	−1
I.O.M. Stm. £1	167		Irish Ropes	44	...
Pearce (C.H.)	850	+10	Jacob	64	+1
Peel Hldgs.	100		T.M.G.	17	+1
Sheff. Refrshmt.	93xd		Unidare	75xd	...
Sindall (Wm.)	155				

OPTIONS

3-month Call Rates

Industrials				Property	
A. Brew	5½	I.C.I.	25	Vickers	18
BOC Intl	11		7	Woolworths	6
B.S.R.		I.C.L.	6		
Babcock	11		20	Brit. Land	6
Barclays Bank	35	Legal & Gen.	21	Cap. Counties	11
Beecham	15	Lex Service	10	Land Secs	37
Blue Circle	25	Lloyds Bank	23	MEPC	20
Boots	12	"Lofs"		Peachey	15
Bowaters	25	London Brick	7	Samuel Props.	13
Brit. Aerospace	17	Lucas Inds.		Town & City	2¾
B.A.T.	35	"Mams"			
Brown (J.)	9	Mks. & Spncr.	11	Oils	
Burton Ord		Midland Bank		Brit. Petroleum	33
Cadburys		N.E.I.	5	Burmah Oil	16
Courtaulds		Nat. West. Bank		Charterhall	8
Debenhams	10	P & O Dfd.	23	KCA	22
Distillers	17	Plessey		Premier	7½
Dunlop		Racal Elect.	5	Shell	32
Eagle Star	25	R.H.M.	18	Tricentrol	33
F.N.F.C.	3	Rank Org. Ord.	25	Ultramar	44
Gen. Accident	30	Reed Intl.	5		
Gen. Electric	60	Spillers		Mines	
Glaxo	28	Tesco		Charter Cons.	21
Grand Met.	18	Thorn EMI	30	Cons. Gold	45
G.U.S. "A"		Trust Houses	15	Lonrho	9
Guardian	30	Tube Invest.	35	Rio T. Zinc	45
G.K.N.	15	Turner & Newall	20		
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Tuesday August 25 1981

Reagan authorises airlines to plan ahead

By Ian Hargreaves in New York

THE REAGAN Administration has informed U.S. airlines that they can plan to continue operations at their present level until next April. Services were reduced to about 75 per cent of normal after the strike of U.S. air traffic controllers earlier this month.

The authorisation will permit airlines to publish firm timetables for the next nine months. Operators hope it will dispel uncertainty and confusion about services. The airlines believe this confusion has caused more damage than the cuts in services.

There had been talk within the industry that the Administration might raise the permitted level of traffic to 90 per cent of normal as an expression of confidence in the stop-gap controllers it has brought in. These have replaced the 12,000 members of the Professional Air Traffic Controllers Organisation sacked for going on strike.

This would have meant almost normal winter operations for the major carriers which reduce services after the summer holidays.

But even with the 75 per cent level of flights, most airlines seem confident that by making limited staff cuts, juggling timetables and substituting larger aircraft for smaller ones, they will not suffer unduly from the effects of the strike, which shows no sign of a solution.

A number of U.S. airlines plan to lay off workers as a result of the strike. Northwest Airlines yesterday announced 500 layoffs, Trans World Airlines 1,200 and Eastern Airlines 1,500.

Financially hard-pressed carriers like Pan American and Braniff have also made sharp cuts but Delta, the most profitable of the big airlines, has an agreement with staff to avoid redundancies. United Airlines, the largest carrier, recently agreed with its pilots that it would do everything possible to avoid layoffs.

Tesco staff offered shares

ABOUT 17,500 Tesco employees have been offered the chance to buy shares in the company through a savings scheme with the Abbey National building society. All full-time employees with more than two years service are eligible.

ARTHUR SMITH REPORTS ON 'THREAT TO INDUSTRY'

GKN joins rates protest by Midlands companies

GUEST, KEEN and Nettlefold said yesterday that higher rate bills could make the survival of some of the group's operations "questionable" and could push smaller companies into bankruptcy.

Mr Roy Roberts, managing director, said the engineering group was "considering all the possible courses" to oppose a 14p supplementary rate rise proposed by West Midlands County Council.

The statement by GKN, which traditionally keeps a low profile on public issues, underlines the consternation and unrest felt by industry in the West Midlands. It hopes other companies will follow its example.

Sir Michael Edwardes, BL chairman, has already challenged in the courts rate bills for plants in Birmingham, Solihull and Coventry.

Industry has been angered by the decision of the Labour council to levy an additional rate to finance low bus fares and to set up a development agency to promote jobs. District councils, such as Wolverhampton, are also proposing higher rates to maintain services.

A survey by the Confederation of British Industry indicated companies would respond by cutting employment and investment and by moving out of the region. The West Midlands CBI has written to Mr Michael Heseltine, the Environment Secretary, urging the Government to set a limit on rate rises.

Mr Roberts, in an open letter to Mr Heseltine, said industry had reached a critical stage and could no longer afford to await the results of a drawn-out inquiry into the rating system.

The group was particularly concerned about the West Midlands, where its 40 subsidiaries employed 27,000. Against the background of recession, higher rate bills could push smaller companies into bankruptcy. "Our group will not suffer this fate, but the added burden might well make the likelihood of survival for certain of our operations more questionable."

Industrialists in the West Midlands, where unemployment has more than doubled in 12 months, and nearly 200,000 workers are still on short time, believe companies are the best judge of how money should be spent.

Mr Steve Rankin, regional director of the CBI, said it was "bizarre" that the West Midlands County Council should be raising an additional £30m a year in rates from industry, partly in the hope of creating jobs.

Money taken through the rate system would merely cut jobs and add to the serious unemployment, he predicted.

Government to order private audits for local authorities

BY GARETH GRIFFITHS

PRIVATE-SECTOR chartered accountants are to be appointed by the Government to run the audits of 14 English local authorities, a move which has surprised and angered the authorities concerned.

Mr Michael Heseltine, the Environment Secretary, believes that private accountants will be able to suggest ways in which authorities could obtain greater value for money.

But the Chartered Institute of Public Finance and Accountancy (CIPFA) has said the increased political interference with auditing will make auditors' tasks much more difficult.

The 14 authorities affected are the shire counties of Durham, Essex and Surrey, the metropolitan county Tyne and Wear, the London boroughs of Kingston, Newham, Westminster and Tower Hamlets, district councils Derby, Portsmouth and South Hams in Devon and metropolitan districts Sefton, Wolverhampton and Oldham.

Authorities were chosen by the Department of the Environment to represent a cross section of local government in England.

A letter from the Department of the Environment informing the councils of the private auditing arrangements was received by each of the councils last week. Mr Heseltine is using powers under section 156 of the 1972 Local Government Act to appoint the auditors.

Several authorities plan to write to the department about the decision. The private auditors will have to start examining the 1981-82 budgets by the autumn and their fees will be paid by the authorities audited.

Under the new scheme the councils will pay the same as they are charged by the departments' own District Audit Service.

While the appointment of the private auditors is only for the current year, the Environment Department's letter says this might be extended to next year. Legislation planned for the autumn would remove from local government the right to choose or appoint its own external auditors.

A consultation paper outlining the changes was published last month but the authorities believe that the latest move by the department has undercut the validity of the consultations and worsened an already strained relationship. Some local government officials were speculating last night about the possibility of challenging the legality of Mr Heseltine's decision.

Mr Noel Hepworth, the director of CIPFA, criticised the Government's plan to remove the freedom to choose auditors. He said that the more the Government sought to impose the private sector on local government, the greater would be the reaction.

At the same time, the district audit service has been cut by the Government from 620 to 557 people of whom only 45 per cent are qualified.

The Department of Environment forecasts a "modest increase" in cost—now £8m a year—of auditing expenditure of the 456 local authorities in England and Wales when the law is changed. However some local authorities believe the use of private firms could prove a financial burden. The average cost per year of district audit staff works out at about £14,000 per head compared with staffing costs in private firms which can be £40,000 per head.

Libya seeks to use oil as payment in India

By R. C. Murthy in Bombay

LIBYA has asked Kamani Engineering Corporation of India to accept oil instead of cash as advance payment for a transmission tower construction contract currently being negotiated.

The oil-for-goods proposal is the second to be made by a member of the Organisation of Petroleum Exporting Countries in recent days.

It follows the failure of Opec ministers to agree on a unified pricing structure for crude oil at talks held in Geneva last week.

Algeria at the weekend proposed a similar barter deal with Japan in an effort to counter pressure for a reduction in crude oil prices.

The Bombay-based corporation said the Libyan advance payment proposal would affect about 10 per cent of the value of the transmission tower contract. The company declined to disclose the proposed cost of the project, but said it was bidding for two engineering projects in Libya with a combined value of Rs 200m (£12.3m).

The company has indicated its surprise at the Libyan proposal and has referred the matter to the Indian Government, which has a monopoly in oil and oil products. The government, in turn, has asked the Indian Oil Corporation, a public sector unit, to study the Libyan proposal.

Our Foreign Staff adds that while Libya has substantial financial reserves, it has few buyers for its oil. Production from the Oasis group, made up of Marathon, Amerada Hess, Conoco, and the Libyan National Oil Company, is believed to have dropped from 600,000 barrels a day last year to 200,000 b/d.

Nigerian exports have also dropped steeply and oil companies believe it will be difficult to regain customers unless the price is cut to around $35 a barrel.

The most attractive alternative for the oil companies is to go to the spot market, where the price of crude is depressed. Alternatively, the producing countries could improve the credit terms for the payment of oil sales, thus effectively reducing the price.

Algeria was forced to barter in the wake of its nationalisation of French oil interests in 1971. French oil companies boycotted Algerian crude as a result, and the Algerian authorities succeeded in striking a series of barter deals with Italian, German and U.S. companies.

THE LEX COLUMN

Habitat designs its flotation

Index fell 3.5 to 558.0

The stores sector of the Stock Exchange looks likely to get a glamorous new name in late September or early October—the probable date for the long awaited listing of Habitat. It should make quite an impact. In its present shape, the market value of the company could be getting on for £40m, and on top of that the issue might raise the best part of £10m to help finance an ambitious expansion programme.

In the four years to June 1980 pre-tax profits rose at 34 per cent compound to nearly £3.5m, excluding property disposals. The first half of 1980-81 brought a setback, but that owed something to the timing of store openings and of the marketing programme. Results for the full year, due next month, could well show another improvement.

Habitat as 53 stores, mostly leaseholds, and its well established (and profitable) shops in France and Belgium account for over a third of its sales. Its six stores in the U.S. have yet to climb into the black, but the operations appear to have reached a viable size. There is plenty of room for further growth in the UK, and it is the kind of business that appeals to fund managers.

Toyota

Toyota's full-year figures are comfortably ahead of earlier forecasts made by the company, but they still paint a depressing picture of the domestic Japanese vehicle market, where Toyota's sales have fallen by 7 per cent. Toyota has been obliged to slice gross margins from 12.5 per cent to 8.5 per cent and, despite some effective cost pruning, operating income has fallen 40 per cent to Y140bn.

Toyota must now be re-examining its relatively insular approach. The domestic market may pick up later this year, but is unlikely to recover the growth rates of a few years ago. And Toyota's own market share is coming under attack from the U.S. majors, which have all forged links with smaller Japanese producers to push thier "world cars."

Growth in the mature export markets will be equally difficult, partly thanks to restraint agreements, and June's export figures are ominous, showing the first decline in unit shipments for two years on an annual basis.

Toyota is leaning heavily on Africa, Australia, and South America for future expansion, but it may also need to step up its manufacturing operations in the advanced industrial countries. The resources are already available. Toyota is awash with cash and investment income contributed 44 per cent of pre-tax profits last year, compared with 27 per cent in 1979-80.

Stockbrokers

The planned take-over of stockbrokers Vickers da Costa is not so much a management buy-out as a buy-in by the institutions. And the pressures that have produced the scheme are by no means exclusive to Vickers. The nub of the problem is that the firm has substantial cash resources, which it increasingly needs in its operations, but employees do not have the wealth to buy out retiring shareholders.

Given the rule that voting control must remain with principals who are Stock Exchange members, this is a common problem. As brokers expand their foreign business, their capital requirements grow, partly because settlement can be slow, but also because the firms act as principals or maintain positions. Even in the UK developments like block trading are pushing up cash requirements.

Similar considerations have led to stockjobbers Bisgood Bishop's plans to raise £5m and hand over control to seven institutions. Candover Investments, which helped set up the Vickers deal, is looking around for other brokers—in commodities and money as well as stocks—in which to invest. The investment moves at Lloyd's are also seen as an opportunity for involvement. Really big capital requirements in the Stock Exchange will emerge if there is a move to dual capacity, and if that happens, the brokers with early institutional commitments will have a head start.

Davy

Davy Corporation's report shows the company's skill at controlling working capital in what was, from the trading point of view, a difficult 12 months to March. Stocks, debtors and work in progress rose £58m to £909m, almost exactly matched by the increase in advance and progress payments and creditors to £936m, and net cash fell by just £1m adjusted for currency movements.

As a result interest received rose £2.2m to £10.3m, which makes it a larger contributor than usual to pre-tax profits of £18.7m. Interest paid, which reflects the cost of financing the McKee acquisition rather than working capital items, was barely changed at £6.9m, while reorganisation and closure costs totalling £4.7m gross were put below the line.

Davy's profits stand up well to current cost adjustment, however, and although the margin on turnover is paper-thin the company's equity base is so small that the pre-interest current cost return on capital employed (excluding goodwill) is over 12½ per cent.

Continued from Page 1

Sony introduces magnetic disc photography

Some professional photographers attending yesterday's demonstration in Tokyo commented that the Mavica's picture quality was not very good. But Mr Morita said that there would be design changes before it went on sale.

The conventional photographic industry reacted cautiously to Sony's announcement.

Eastman Kodak, the leading U.S. supplier of camera film, said that it doubted whether electronic systems would replace film with amateur photographers until well into the next century.

Polaroid, the world leader in instant photography, expressed its belief that chemically-processed film would continue to predominate for many years because it gave high quality pictures and allowed instant photography.

Both Kodak and Polaroid are thought to be looking closely at electronic photography—although neither has announced any plans to launch products. Other electronics manufacturers, notably in Japan, are conducting research in the field.

Sony developed the technology for the Mavipak disc several years ago. It was originally considered as an alternative to tape for recording video movie pictures. It has not been used so far for that purpose.

Further advances in technology may well make possible the storage of still pictures on electronic integrated circuits—silicon chips — which would be smaller and lighter than magnetic discs. It may be some years before this technique becomes commercially worthwhile.

Thalidomide compensation may be investigated

BY CHRISTINE MOIR

THE PUBLIC Trustee's Office may face an investigation into its investment performance following complaints by Thalidomide victims that compensation funds managed by it performed badly by comparison with building society investments.

The complaints were published in the News of the World which reported three cases in which victims of the drug received poor returns when their compensation was distributed to them when they reached their majorities.

The most recent distribution was 16 month ago. Two eearlier ones had been made over two years ago and nearly four years ago.

As a result of the complaints Dr Gerard Vaughan, the Health Minister, has asked the Lord Chancellor, Lord Hailsham, to look into allegations from parents of the victims that their money would have produced a better return if it had been invested in a building society.

Mr Terry Nicholls, deputy chief investment manager of the office, defended its investment performance by pointing out that since 1965 the capital unit fund run by the Public Trustee had "kept pace with the All-Share Index," while its two income funds had substantially outperformed the FT 30-share index over the same period.

In the past five years, he admitted, the three unit trusts had performed slightly worse than the average unit trust according to the Unit Holders index. However, over the past three years, he said their performance had been well above average.

Weather

UK TODAY

CLOUDY in the North with a little drizzle. Dry in the South.

London, S. England, S. Wales, Channel Is.
Sunny periods developing after early mist. Max. 21C (70F).

East Anglia, Midlands
Cloudy with drizzle, bright intervals developing. Max. 21C (70F).

E., N.E. England
Dry, mist and fog clearing. Max. 20C (68F).

N. Wales, N.W. England
Cloudy, bright or sunny intervals later. Max. 19C (66F).

S. Scotland, N. Ireland
Rather cloudy, occasional light rain, sunny intervals developing. Max. 18C (64F).

N. Scotland, Orkneys, Shetlands
Mostly dry, sunny intervals. Max. 17C (63F).

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	London	F	19	66
Algiers	F	27	81	L. Ang.†	F	18	64
Amsdm.	C	17	63	Luxmbg.	C	15	59
Athens	S	28	82	Luxor	S	38	100
Bahrain	S	35	95	Madrid	S	29	84
Barclna.	F	27	81	Majorca	F	28	82
Beirut	F	29	84	Malaga	S	28	82
Belfast	F	19	66	Malta	F	31	88
Belgrd.	C	19	66	M'chstr.	C	19	66
Berlin	F	17	63	Melbne.	S	14	57
Biarritz	F	23	73	Miami†	F	27	81
Bmghm.	F	21	70	Milan	F	24	75
Blackpl.	C	17	63	Montrl.†	F	17	63
Bordx.	S	23	73	Moscow	C	21	70
Boulgn.	C	16	61	Munich	C	14	57
Bristol	F	19	66	Nairobi		—	—
Brussels	F	17	63	Naples	C	24	75
Budpst.	C	18	64	Nwcstl.	F	21	70
Cairo	S	33	91	N York†	F	22	72
Cardiff	F	20	68	Nice	F	27	81
Cas'b'ca	S	26	79	Nicosia	S	30	86
Chicg.†	F	18	64	Oporto	S	23	73
Cologne	F	16	61	Oslo	S	20	68
Cpnhgn.	S	19	66	Paris	F	18	64
Corfu	F	27	81	Perth	C	18	64
Denver†	C	18	64	Prague	C	13	55
Dublin	R	18	64	Reykjvk.	F	9	48
Dbrvnk.	F	21	70	Rhodes	S	30	86
Ednbgh.	F	20	68	Rio J'o†		—	—
Faro	S	28	82	Rome	F	30	86
Florence	S	27	81	Salzbrg.	T	14	57
Frankft.	C	18	64	S F'cisc†	C	14	57
Funchal	R	20	68	Singapr.		—	—
Geneva	S	20	68	Stckhm.	F	16	61
Gibraltar	S	22	72	Strasbg.	F	19	66
Glasgow	C	19	66	Sydney	S	15	59
G'rnsey	C	18	64	Tangier	S	33	91
Helsinki	R	11	52	Tel Aviv	S	29	84
H Kong	F	32	90	Tenerife	S	25	77
Innsbrk.	C	11	52	Tokyo	C	30	86
Invrnss.	F	20	68	T'ronto†	F	16	61
I.o.Man	F	19	66	Tunis	F	30	86
Istanbul	S	28	82	Valencia	S	28	82
Jersey	F	19	66	Venice	S	22	72
Jo'burg		—	—	Vienna	C	18	64
L. Plms.	S	24	75	Warsaw	C	13	55
Lisbon	S	31	88	Zurich	C	17	63
Locarno	F	24	75				

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

Court convicts for insider dealing

BY CHRISTINE MOIR

A SCOTTISH court has made the first conviction under the legislation which made "insider dealing" a criminal offence in June last year.

On Friday Mr John Bryce, formerly the administration partner in Baillie Gifford, a well-known Edinburgh firm of investment managers, was given an absolute discharge in the Edinburgh Sheriff Court after he had admitted a charge of insider dealing on January 5.

He obtained his discharge after he had deposited £1,400 with his solicitor to compensate the jobber through whom he bought shares in Winterbottom Trust, a trust for which Baillie Gifford was secretary and investment manager.

Mr Bryce bought the shares on January 5 knowing that the next day Winterbottom was to change its structure to an energy trust. Once the change in structure was announced the shares rose by 9p.

The court found that the transaction had cost the jobber involved £1,400 which it ordered Mr Bryce to deposit with his solicitors.

Mr Bryce's defence agent claimed that Mr Bryce did not know about section 68 of the 1980 Companies Act which made insider dealing a criminal offence punishable by a fine or up to two years' imprisonment.

He added that Mr Bryce had carried out the deal on behalf of a relative and did not stand to gain by it himself.

Yesterday a partner at Baillie Gifford said that Mr Bryce had left their employment on May 20.

The firm had learnt of Mr Bryce's dealing in Winterbottom Trust and had drawn the attention of the Stock Exchange to it. Baillie had then co-operated with police inquiries.

Mr Bryce had not handled investment matters for the firm and the partner said that the firm was satisfied that no one else was implicated and the interests of clients had not suffered.

Under insider dealing legislation, prosecution can only take place with the permission of the Secretary for Trade. Normal procedure is for the Stock Exchange to draw attention of the Department of Trade to cases where it suspects insider dealing may have occurred.

Some two dozen cases are thought to have been sent to the department since the act came into force. The department has announced that it does not intend to prosecute in two of those cases. No details have yet been published on the remainder.

Laker cleared for Berlin

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE CIVIL Aviation Authority has granted Laker Airways rights to fly scheduled services between Gatwick and West Berlin.

Dan Air has been awarded rights on the Gatwick-Dublin route, although it was refused rights also to fly to West Berlin.

The authority also upheld a Laker application restricting British Airways' Berlin services to those from Heathrow only, preventing the state airline from serving Berlin from Gatwick.

The decisions are in line with the authority's policy of allowing more competition on domestic and international air routes.

The two airlines will still need to win the reciprocal approvals from the West German and Irish Governments.

The award to Laker is seen in the airline industry as a boost to his efforts to win a network of European routes. Laker has applications either pending, or planned, for further routes to the Continent from Gatwick.

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